





AMERICAN NEWS



Youths passing the Watts Towers in Los Angeles flash a gang sign. Gangs selling crack - cocaine mixed with water and baking soda - are co-operating to boost sales, the US Drug Enforcement Administration says in its report Crack Cocaine: Overview 1989.

Peace, love and the selling fields  
Jamie Buchan visits the Woodstock festival town 20 years on

A MILE west of Bethel, a shabby Jewish resort town in upstate New York, a lane called Hurd Road turns off and runs away through fields and woodlots to the north. On the left of it are the silos and red barns of a dairy farm, where Max Yasgur kept the biggest dairy herd in Sullivan County till the old guy died in 1973 and the farm was sub-divided and the widow moved to Florida.

Carrying on, you crest a rise and see the place at last and it is instantly familiar: a patchwork of fields, with the hay already cut, running down towards a wooded hollow, with a small pond just visible through the trees.

Al Fimognari, who was 14 when the Woodstock festival began here 20 years ago today, points out things as they were: the big sound stage, the Freak Tent, the medical trailer, the place where the Hog Farmers were, the Filippini Pond where everybody bathed without clothes on. The state police said at the time there were 450,000 people at the concert. "There was nowhere here where there wasn't people," Al says.

Next to Hurd Road, somebody is selling peace head-bands. From makeshift blue tarpaulin tents, the music of 20 years ago comes tinnily from tape players, all mixed up together. Coming to Los Angeles, the Fish Cheer, Jimi Hendrix's Star-Spangled Banner. Anybody who looks old enough is talking tall tales to foreign television crews. "I told Janis: You're going to die if you going on doing that stuff." - that

sort of thing. Young people from the suburbs sleep gingerly through the garbage in their shopping-mall pastels. Police officers leer at young women. Lots of people are drunk.

Nobody here, or in the newspapers or on television, is sure quite what this gathering of half-a-million people on a wet weekend 20 years ago really meant. Some people say it was just a show of demographic strength by the baby boom, meaningless

Burt Feldman, aged 66, who is town historian of Bethel, says: "Over on Filippini Pond, there was a two-story shed for people to hire out rowboats, run by this old guy - Ben Leon was his name, 92 or 93 he was. I was responsible for making sure the kids put some clothes back on."

"I was coming back along the path, and I heard this terrible cackling noise. It was coming from the top of the boat house: Hee-Hee-HEE-ow, baw-baw-hawEE. He was up there, the old fool, with a pair of great big binoculars, look like they came from the Navy."

"The funny thing was, 10 or so days later, old Ben dropped dead. I spoke to the funeral man and he said, when we tried to fix him up, whatever we did we couldn't get the smile off his face."

Mr Fimognari, who is now 34, is sitting on the hood of his truck, with a Budweiser beer in his hand, drinking it slow. He has the authentic look of the late 1960s: not smug, exactly, but as if he has seen something strange and interesting that he'll tell you about, but only if you ask.

He says: "I'm been coming up here ever since, maybe to play Frisbee or just to think. What people today don't know is that it wasn't just music. People were always passing things to me, food or drink or maybe a joint. It made me a better person, I think, though not a richer one."

"Look at these people here, selling things. They could do it again, just as we did it, if they wanted to. But maybe they don't want to."

'There was nowhere here where there wasn't people'

except as a commercial opportunity. Others say the concert showed much of American youth simply was not prepared to fight the Vietnam war. The war was lost in the fields of Sullivan County.

In America, the past recedes at a rate faster than anywhere else. Twenty years on, the "Woodstock Nation" and its ideals of non-violence and non-competition seem utterly implausible. Genuine empty milk bottles from Yasgur Farms sell for \$25 in local antique shops. The sloping hay-fields might be those of the civil war battlefields of Shiloh or Gettysburg.

Like a battle, the festival was more important to many people than anything later in their lives. Not all were young. Mr

Darman brings interest rate debate into the open

By Peter Riddell, US Editor, in Washington

THE WARNING at the weekend by Mr Richard Darman, US Budget Director, that the Federal Reserve Board has been too cautious over its interest rate policy, not only made public the simmering private tensions between the Bush administration and the Fed but also indirectly highlighted divisions within the central bank.

Mr Darman's timing and wording are significant. His remarks have come a week before a meeting of the Fed's policy-making open-market committee (FOMC).

They were aimed not just at its members as a whole but, more particularly, at the regional bank presidents who have been more concerned about inflationary pressures than recession, and hence reluctant to approve lower interest rates.

Referring to the need for sensible management, Mr Darman said: "It's important not merely that chairman [of the Fed Mr Alan] Greenspan, but that other members of the board and the FOMC, that make the crucial decisions on this, that they be more attentive to the need to avoid tipping this economy into recession."

In recent weeks, it seemed that differences between the administration and the Fed had been narrowing - the White House said yesterday that President George Bush believed the Fed was doing "a good job" keeping growth going with low inflation.

After all, the Fed has authorised a series of cuts in interest rates - following several months of administration nudging - and the mid-year forecasts last

month showed signs of a convergence of their views about the US economic outlook.

However, as Mr Michael Boskin, chairman of the president's Council of Economic Advisers, made clear three weeks ago, while praising the Fed's handling of interest rates, there are differences of emphasis. He argued then, in typically diplomatic language: "If the economy started to slow more than it has in the first half of this year, the Fed would move to head off a recession. We assume from their public statements that they would do that."

Mr Darman was essentially presenting a blunter version of the same message. "Don't be too cautious," he said it was "quite important that the Fed appreciate that growth is

fundamental to the health of this economy, and that they not become obsessed with concern about things going well for too long."

The balance between slowdown and recession is very narrow. In practical terms, the administration believes that economic growth of about 2.5 per cent next year, and 3 per cent thereafter, is consistent with a stable inflation rate; the Fed argues that a slowdown to well below 2 per cent is necessary and "probably inevitable".

All this may seem to be fine tuning of policy taken to extremes. Even so, as Mr Darman is fully aware, there are big implications in such small variations for the federal deficit. Not only could the one-point difference between the administration and the Fed over the expected growth rate

for next year be equivalent to between \$15bn and \$20bn on the deficit - an even more marked deceleration could add a further \$10bn.

There are recession loopholes in the application of the Gramm-Rudman deficit reduction law, but such additions to the deficit would substantially worsen the administration's existing tax and spending problems with Congress.

Until now, the administration has generally preferred behind-the-scenes nudges for fear of antagonising the more independent-minded of the regional presidents. Mr Darman's message is clearly aimed in their direction, as much as at Mr Greenspan, and at administration allies such as Mr Manuel Johnson, Fed vice-chairman, and Mr Wayne Angell, another

Washington-based governor of the Fed. Indeed, to some extent, Mr Darman's words may have been aimed at strengthening the hand of the Greenspan group in the FOMC.

But Mr Darman's remarks have also been seen as a calculated political manoeuvre to shift the blame for any recession away from the administration, particularly with a mid-term Congressional election 15 months away.

He said: "If we do have a recession, I think it will be because they [the Fed] erred on the side of caution."

If the Fed still believes it has room for manoeuvre economically, the administration does not politically. As the latest Washington joke goes, this needs not just a soft landing, but a perfect landing.

Peruvian miners start strike on schedule

THE PERUVIAN Miners' Federation began an indefinite, national strike yesterday morning as planned, Reuter reports from Lima.

"Miners have stopped working as of their first shift this morning," Mr Celso Cajachagua of the 70,000-member union told a Lima radio station yesterday morning. He had no early word on how widely the strike was being observed.

Mining company executives said they expected light to moderate support for the strike in its first days but that the impact could spread if the strike went on for weeks.

The walk-out affected output at the Toquepala and Casapene copper mines, though it was unclear by how much, said Southern Peru Copper, the mines' owner, yesterday. Southern's refinery at Ilo

appeared to be working normally, a spokesman said. The miners' demands are much the same as those of last year - wider collective bargaining rights and better wages and benefits.

Production of copper at Mexico's Cananea mine, one of the richest in the world, could be stopped by a strike due to start on August 27 if the management does not meet workers' demands for a 60 per cent wage rise, Richard Jobs reports from Mexico City.

Nafinsa, the state development bank which owns 99.5 per cent of the parastatal Cananea company, is reported concerned about deadlock in negotiations on a new labour contract, which began in May.

The Mexican miners' union is pressing for a wage rise four times the average allowed by the present administration.



A BANK'S STRENGTH HAS MORE TO DO WITH IDEAS THAN WITH MONEY.

The ABN ranks among the top international banks. A position we have not reached by aiming at incidental financial successes. Because a healthy, lasting relationship can simply never be based solely on offering slightly cheaper loans. Our prime concern is to understand the client's situation. By being more than just a financial partner, the ABN is able to offer surprising financial solutions, even in dif-

icult situations, and in this way build relationships with its clients that are characterized by mutual respect and trust. Not only today, but also far into the future. Something which is made possible by a network of almost 1,000 offices spread over 44 countries. A network that gives the ABN access to specialized knowledge of local markets throughout the world. Which is why the ABN holds its own with the world's

most important banks. And why renowned multinationals and large local companies operating internationally avail themselves of our know-how. For day-to-day banking services such as electronic banking and netting, of course. But particularly also for specific projects, which may run from leveraged-lease aircraft financing to co-generation energy projects. And from complex swaps to off-shore loans.

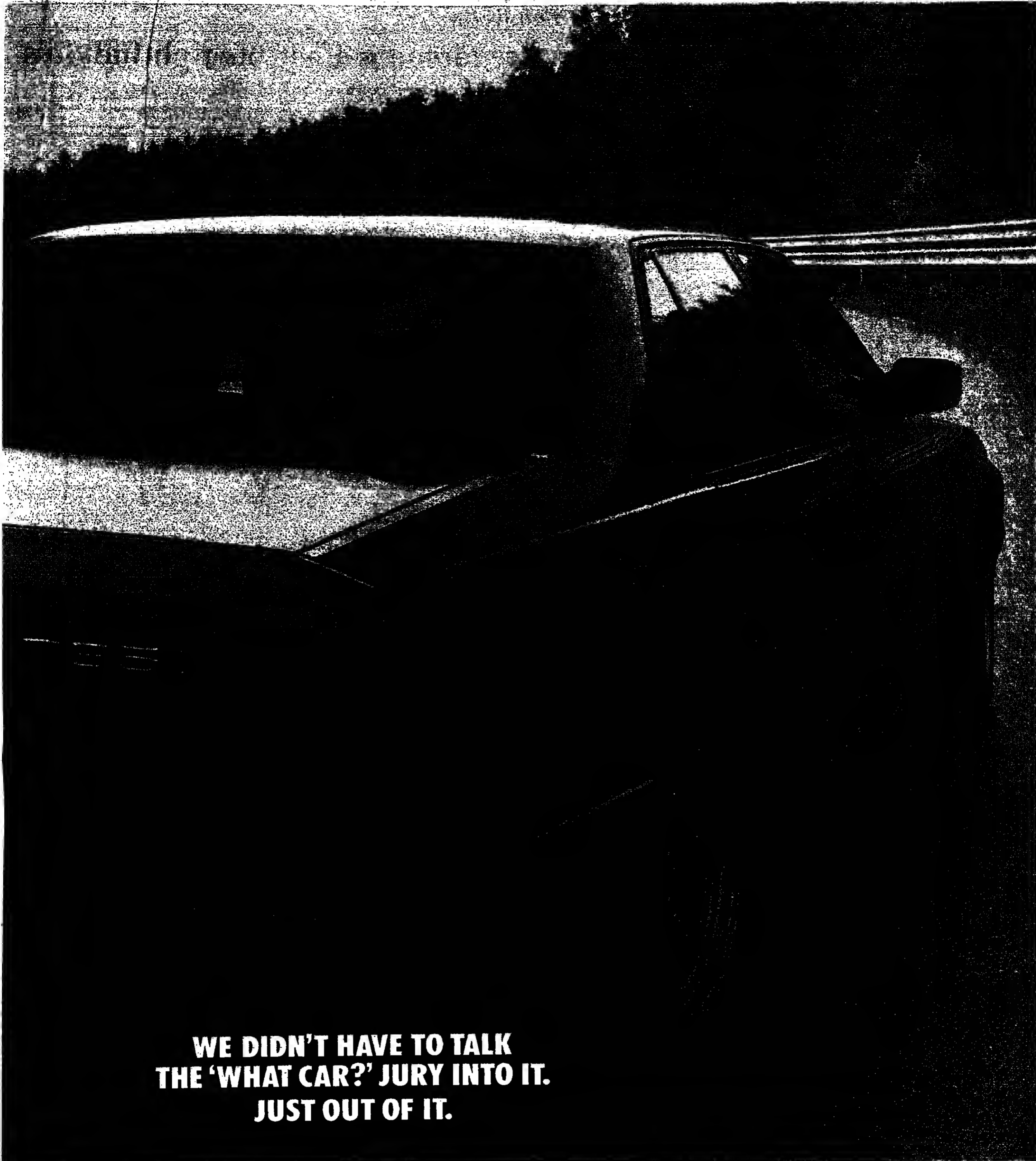
This then is the firm foundation on which the ABN builds solid relationships with large numbers of international enterprises. Because a bank that knows the world, automatically becomes known throughout the world. **ABN Bank** A WORLD OF UNDERSTANDING.

AMSTERDAM, AUSTRALIA, AUSTRIA, BARCELONA, BELGIUM, BRAZIL, CANADA, CHINA, DENMARK, GERMANY, GREECE, HONG KONG, INDIA, INDONESIA, ITALY, JAPAN, KOREA, LEBANON, LUXEMBOURG, MALAYSIA, MEXICO, NETHERLANDS, NETHERLANDS ANTILLES, PAKISTAN, PANAMA, PARAGUAY, SAUDI ARABIA, SINGAPORE, SPAIN, SWITZERLAND, TAIWAN, THAILAND, UNITED ARAB EMIRATES, USA, VIETNAM



...y his  
...power

...menei  
...out  
...hostage  
...otiation



**WE DIDN'T HAVE TO TALK  
THE 'WHAT CAR?' JURY INTO IT.  
JUST OUT OF IT.**

In 1988, 'What Car?' voted the BMW 735i 'Best Director's Car.'

Come 1989, and despite a number of new contenders, they came to precisely the same conclusion.

The 735i, this time in Special Equipment form, is still the 'Best Director's Car.'

And even before the car had moved, the typewriters were rolling:

"The ergonomic quality of the control and facia layout is superb."

But it was when the ignition key was turned that the praise really started.

"For such a big car, the BMW 735i is surprisingly agile."

Not so surprising when you consider that the chassis underwent three million kilometres of development testing.

It only took the journalists the first couple of miles to appreciate some other features.

"It scores highly on details too, such as the automatic tilt of the external mirror activated by selecting reverse, which allows the driver a view of the kerb."

They concluded that the "engineering excellence, striking styling and a near perfect blend of performance and comfort make the BMW the one to beat."

If you'd like to book a test drive in the 735i, or indeed any of the 7 Series models,

just fill in the coupon below and post it to us. And no doubt in a few miles you'll reach the same conclusion as the jury.

To: BMW Information Service, PO Box 46, Hounslow, Middlesex TW4 6NF.  
Tel: 01-897 6665. Please send me further information on:-

BMW 730i  BMW 735i  BMW 750i (Please tick)

Mr, Mrs, Miss, etc: \_\_\_\_\_ Initial \_\_\_\_\_ Surname \_\_\_\_\_ T2/FT2 \_\_\_\_\_

Address \_\_\_\_\_

Town/Country \_\_\_\_\_ Post Code \_\_\_\_\_

Present Car \_\_\_\_\_ Year of reg. \_\_\_\_\_ Age of driver \_\_\_\_\_ (under 18)

**THE ULTIMATE DRIVING MACHINE**

THE 7 SERIES STARTS AT £24,500. CAR SHOWN: 735iSE £36,100 EXCLUDING OPTIONAL CROSS SPOKE. ALL DY WHEELS AS SHOWN. PRICES CORRECT AT TIME OF GOING TO PRESS. EXCLUDE DELIVERY AND NUMBER PLATES. INCLUSIVE DELIVERY CHARGE INCORPORATING BMW EMERGENCY SERVICE. £233 + VAT. ALL NEW MODELS (EXCEPT THE M SERIES) CAN TAKE UNLEADED FUEL WITH NO MODIFICATION REQUIRED. FOR A 7 SERIES INFORMATION FILE, PLEASE FILL IN THE COUPON OR TELEPHONE 01 897 6665 (LITERATURE REQUESTS ONLY) FOR TAX FREE SALES, TEL 01 629 9277.

WORLD TRADE NEWS

# W German group wins Australian frigate order

By Chris Sherwell in Sydney and Robert Taylor in Stockholm

A MELBOURNE-BASED consortium including Blohm and Voss, the West German naval shipbuilder, has won the lucrative AS5bn (£2.3bn) contract to build between eight and 12 light patrol frigates for the Australian and New Zealand navies.

The decision, announced yesterday after a meeting of the Australian Cabinet, commits Australia to taking eight frigates, worth AS5.5bn, and provides for New Zealand to take another four should Wellington stand by its plans to join in.

Blohm and Voss and its main local partner Transfield, a privately-owned local construction group, beat a New South Wales-based consortium of companies linked with Royal Schelde, the Dutch shipbuilder.

As part of the winning contract, Bofors Electronics, a subsidiary of the Swedish chemical and ordnance conglomerate Nobel Industrier, has won an order worth from SKr1.5bn (£144m) to provide electronics software and hardware computer command and control systems. Another Swedish company, Ericsson Radar Systems, will produce the surveillance equipment for the vessels.

Mr Bø Horner, Bofors' marketing director, said: "This is the largest order we have ever had." The order is seen as a breakthrough for Bofors Electronics, which was acquired by Nobel in June from the Dutch-owned company Philips. Mr Horner said that he thought there was now the possibility of further large contracts for the company over the next two years.

The contract means the two navies will receive the Meiko 200 frigate instead of the Dutch M Class ship, with deliveries starting in the mid-1990s. With jobs for up to 12,000 people directly and indirectly, it entails the largest naval construction programme undertaken in Australia.

The decision was taken principally on price. According to Mr Kim Beazley, the Defence Minister, the West German consortium's offer was a

# Moscow and Israel sign pact on agriculture

ISRAEL'S Agriculture Ministry and the Soviet Academy of Sciences have signed an agreement to create a joint agricultural company, AP reports from Jerusalem.

The announcement carried by Israel radio came shortly after Tass had reported that the two countries had agreed on their first joint venture, which will make medical equipment.

Mr Amram Olmert, director of Israel's government-run Agrichem company, expressed hope that the new farm sector company, Agromir, would help solve the Soviet food crisis.

The Soviet Union cut diplomatic ties with Israel after the 1987 Middle East war. However, cultural and tourism exchanges have expanded since the two countries exchanged interest offices in 1987 and 1988.

Mr Olmert told Israel radio that Israel's advanced agricultural technology contributed to create on a concrete, business basis, without any political implications.

"I'm not saying that we will solve the Soviet problems, but our joint impression is that we can contribute to this," he said.

The radio reported that the agreement was signed on Saturday at the end of a 15-day visit by a Soviet delegation.

# Cloud over Siemens East bloc phone deal

David Goodhart reports on rising concern in the West over technology transfers

FOR ANYONE who regularly has to telephone into or out of the Eastern bloc, the news that Siemens of West Germany could be close to clinching a series of deals to digitalise the antique telephone systems will be most welcome.

To CoCom, the Paris-based Co-ordinating Committee on Multilateral Export Controls, which regulates Western exports of militarily sensitive technology to the East bloc, it could be the start of a troublesome argument testing the borders of its recent liberalisation in the wake of Mr Mikhail Gorbachev's reforms.

Digital telecommunications technology may seem innocent enough but, like computers, it is a "strategic" technology which has the potential to increase the effectiveness of all economic and political institutions - including the military.

CoCom thus has to tread carefully in applying the new policy of "higher walls around fewer items". Its job is made no easier by having to deal with increasingly complex technology which comes in all shapes and sizes, some hits

which are restricted while others are not. "Most parts of the CoCom list are quite unintelligible to anyone who is not an engineer, and even if you do understand it the question of how the technology is going to be used can also be crucial," says one US official.

The US remains, as one West German official put it, "master of the CoCom game", and has not in CoCom. The most important recent symbol of reform was the ruling last month that 16-bit microcomputers (but not 32-bit) can now be exported to the East bloc.

But to some Europeans, and especially Germans, that decision - although welcome in itself - highlights the extent to which CoCom is also used as an instrument of US trade policy. "It is no coincidence that this important step has come first in computers, where the US is strong, rather than machine tools where they are very weak," says one German official.

He added that the Pentagon often overrules the US industrial lobby but that lobby still has more influence in CoCom than industry in any other country. Other West German officials point to the fact that in the historic agreement for Siemens to supply the Soviet Union with up to 300,000 personal computers about 60 per cent of the work will be done in the US.

In another, less widely noticed reform of September last year, CoCom also recognises that it was no longer possible, or even desirable, to stop the East bloc getting hold of digital switching equipment.

Siemens's basic digital switch - the EWSD - which they had previously not been allowed to sell in East Germany or Hungary is now off the restricted list. Indeed Siemens says that it has already delivered nine or 10 such switches to the Ukraine from its plant in Yugoslavia; and that negotiations are currently progressing with several other East bloc countries about similar deliveries.

So far, so good, for the supporters of a more liberal regime. However, Siemens' latest announcement that it is negotiating a joint venture with the Soviet Post Ministry to build such digital equipment inside the Soviet Union may run into CoCom barriers.

For there were two important qualifications to last year's digital liberalisation. First it must not involve technology transfer - in other words you can export the system there, but you must not build it there and thus give the East bloc the wherewithal to build it themselves.

Second, the most sophisticated aspects of digital technology - in particular the Integrated Systems Digital Network (ISDN) - must remain restricted. ISDN has in fact already been exported to China and there will be pressure to allow it into the East bloc. In the long run, the technology could provide a useful boost to the reform process by improving bureaucratic efficiency.

Siemens seems to be in the lead in trying to push back the barriers in this field, but what the German company may require - as one analyst observed - is a US partner to boost its Soviet business.

A similar conflict of priorities and interests may soon be cropping up in space technology, where the Soviet Union and China have been competing to put commercial satellites into space for German companies like MBB.

generally been the most cautious about modifying the restricted list and the most aggressive about improving enforcement - thought to be weakest in West Germany.

Officially the US line is that CoCom must not be used as a political geiger-counter but nobody denies that the Gorbachev reforms have been one factor behind recent liberalisation, along with the growing availability of some restricted technology in countries like Taiwan or Austria, which are

"Siemens is in the lead but may need a US partner to boost its Soviet business"

year's digital liberalisation. First it must not involve technology transfer - in other words you can export the system there, but you must not build it there and thus give the East bloc the wherewithal to build it themselves.

Second, the most sophisticated aspects of digital technology - in particular the Integrated Systems Digital Network (ISDN) - must remain restricted. ISDN has in fact already been exported to China and there will be pressure to allow it into the East bloc. In the long run, the technology could provide a useful boost to the reform process by improving bureaucratic efficiency.

Siemens seems to be in the lead in trying to push back the barriers in this field, but what the German company may require - as one analyst observed - is a US partner to boost its Soviet business.

A similar conflict of priorities and interests may soon be cropping up in space technology, where the Soviet Union and China have been competing to put commercial satellites into space for German companies like MBB.

# Banana growers in plea to EC

By Tim Dickson in Brussels

LATIN AMERICAN banana growers have issued a joint plea to the European Community to ensure continuing access for their products once the single market is completed in 1992.

In a declaration adopted over the weekend at the International Banana Congress at Cartagena, Colombia, growers from Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama and the Dominican Republic aligned themselves with views expressed in a recent note sent by the Union of Banana Exporting Countries to the President of the EC Council of Ministers and to Mr Jacques Delors, President of the European Commission.

The declaration pointed out that the banana industry provides direct employment for around 200,000 people in those countries. It also stated that "the jobs of millions more were linked to the industry."

According to the congress

ing countries.

The EC's highly complex banana regime poses one of the biggest challenges for Brussels policymakers.

It combines preferential access to French and British markets for growers in former colonies (notably the Caribbean) with a 50 per cent tariff on cheaper Latin American, or "dollar" bananas for most other member states (except West Germany which has long had a tariff-free quota roughly equivalent to its annual consumption).

It is already clear that the tariff-free quota will have to disappear come 1992, but the Commission is in the process of drawing up proposals for a solution, reconciling the economic and political interests of the various member states.

The Germans are insistent that the protected French and British markets should be priced open - Paris and London appear to be lobbying hard to keep some form of regulation,

# Bremen awarded £234m Soviet container order

By Andrew Fisher in Frankfurt

ONE of West Germany's biggest shipbuilding orders has been won by the Bremer Vulkan and Howaldtswerke Deutsche Werft (HDW) yards, which will build six container ships for the Soviet Union at a cost of around DM720m (£234m).

The Soviet Union also has an option for the construction of four other vessels, which if exercised would bring the contract's total value up to DM1.5bn. The order will be shared equally between the two yards and represents a significant departure from the Soviet practice of ordering ships mainly from eastern Europe.

Like yards in other European countries, those in northern Germany have suffered in recent years from cheaper Far Eastern competition and the *malaise* in the maritime sector. However, including the option, the Soviet deal will keep the

two yards busy until the middle of 1993. Delivery of the ships will start in the second half of 1991.

Financing will be provided by German banks headed by Kreditanstalt für Wiederaufbau, which said some element of interest rate subsidy would be involved to accord with Organisation for Economic Co-operation and Development rules on shipbuilding credits.

Altogether, the Soviet Union has indicated that it wants to place shipbuilding orders worth around DM4.5bn. This would mean the inclusion of other German yards.

German industry has benefited considerably this year from the Soviet Union's efforts to refurbish and re-equip both its heavy and consumer industries. Engineering companies have reported a lift in their new orders and trade between the two has recovered from the weakness of previous years.

two yards busy until the middle of 1993. Delivery of the ships will start in the second half of 1991.

Financing will be provided by German banks headed by Kreditanstalt für Wiederaufbau, which said some element of interest rate subsidy would be involved to accord with Organisation for Economic Co-operation and Development rules on shipbuilding credits.

Altogether, the Soviet Union has indicated that it wants to place shipbuilding orders worth around DM4.5bn. This would mean the inclusion of other German yards.

German industry has benefited considerably this year from the Soviet Union's efforts to refurbish and re-equip both its heavy and consumer industries. Engineering companies have reported a lift in their new orders and trade between the two has recovered from the weakness of previous years.

## Get £62 worth of business information free

There's been an explosion in business information on technology. The fall-out hits your desk each week in a welter of facts, data, comment and analysis.

You haven't time to digest it all. But you can't afford to ignore it. Just one fact could transform your business. The problem lies in knowing how to find this information before your competitors.

The answer lies in FinTech - the fortnightly newsletters from the Financial Times Business Information service.

**Choose the newsletter most pertinent to your business**

FinTech comprises four separate specialist newsletters. So you select the newsletter or newsletters most pertinent to your business:

**TELECOM MARKETS** is an authoritative commentary and news service for the telecommunications supplier, investor and major user. It...

- analyses and predicts UK and international telecom markets
- monitors supply of, and demand for, an ever-widening range of telecom services
- aids your forward planning by keeping you fully briefed on government and company moves
- tracks developments in all telecommunication product and service areas.

*TELECOM MARKETS is one of the most well-informed and accurate commentaries on telecommunications. Effective and critical comment.*

*Chris Gent - Managing Director, Royal Vodafone*

**ELECTRONIC OFFICE** helps you win in the office technology revolution by telling you how to solve office computing problems and how not to create more. It provides an impartial analysis of...

- System suitability and limitations
- the performance of vendors, their weaknesses and strengths
- progress in standardisation
- how to ensure enthusiastic co-operation from your workforce.

And, from regular case studies, you'll be able to learn from the mistakes and capitalise on the successes of others.

*ELECTRONIC OFFICE is a very useful publication. I use it to see what is happening in the market. Also, the case studies are particularly useful.*

*Alan Morrison - Head of General Administration, IBA*

**AUTOMATED FACTORY** is an essential briefing for industrialists and their advisers. It tells you...

- how the latest techniques, systems and equipment will improve productivity and efficiency
- how automation is best planned and carried out
- how it should be financed
- what your competition is doing.

It tells you who's likely to be around in five years to support the systems supplied today. Candid case studies enable you to profit from the experiences of others.

**FinTECH**  
Financial Times Business Information,  
30 Essex Road, Guildford, Surrey GU1 3LE. Tel: 0488 576144. Fax: 0488 902457.

PRICE WATERHOUSE  
and the FINANCIAL TIMES CONFERENCE ORGANISATION  
present:

# CAPITAL MARKETS WORKSHOP

**16-18 OCTOBER, 15-17 NOVEMBER & 4-6 DECEMBER 1989**

This important 3-day workshop will benefit all those responsible for managing capital market activities or providing the vital support services. A structured programme of intensive, practical training will build a thorough understanding of today's volatile markets, and the implications for operations, risk management and reporting. Speakers will be drawn from Price Waterhouse's Capital Markets Group and a panel of key individuals from organisations involved in capital markets activities including:

Jonathan Britton Finance Director Swiss Bank Corporation International Limited	Anthony Wilson Executive Director Delva Europe Limited
Graham Sirmister General Manager, Treasury Nornura Bank International plc	Arial Salama Vice President, Global Risk Management Bankers Trust International Ltd
Jeffrey Evans Manager, Swaps Westpac Banking Corporation	Richard Kilsby Managing Director, Capital Markets Charterhouse Bank Limited
Bob Fuller Director, Capital Markets Charterhouse Bank Limited	Richard Hines Assistant Treasurer & Group Project Manager Prudential Corporation plc

**Price Waterhouse** **FT FINANCIAL TIMES CONFERENCE ORGANISATION**

Please send me further details on the Capital Markets Workshop

NAME \_\_\_\_\_ POSITION \_\_\_\_\_

COMPANY \_\_\_\_\_ ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_ TYPE OF BUSINESS \_\_\_\_\_

The Financial Times Conference Organisation, 125 Jermyn Street, London SW1Y 4LU. Tel: 01-925 2323. Telex: 27347 FTCONF G. Fax: 01-925 2125



















LETTERS

London transport merits Government investment

From Mr Tony Travers... Sir, Your leader (August 10) about financing the Jubilee Line extension to Docklands makes the reasonable point that London travellers get the transport infrastructure they deserve.

Whether or not the Jubilee Line extension or the two crossrail proposals get built depends, it would appear, on the Government's success in convincing a number of devel-

opers - and existing occupiers, presumably - voluntarily to put up cash to pay for part of the capital cost of new lines. This search for cash ignores the fact that the rising land values resulting from such transport infrastructure would produce extra income for the Government for years to come.

First, property owners would be able to charge higher rents for their offices. These higher rents would lead to higher profits which would then be taxed. Second, the promised five-yearly revaluations of rateable values under the new national non-domestic rate would reflect rental values, leading to higher rates payments to the Exchequer.

'Engineering, like petty crime, just does not pay'

From Mr Liam Mulloy... Sir, As an ex-mechanical engineering graduate, I am not surprised at the dearth of young people wishing to enter the engineering profession.

If the "underpaid" and "overworked" labels do not act as sufficient de-motivators, then perhaps a career path which culminates in the relatively low-level, lowly-paid title "chief engineer" should, The scarcity of engineers at board level in the UK bears testimony to the fact that engineering, like petty crime, just does not pay.

As a recent MBA from City University Business School, in London, it was interesting to note that over 60 per cent of our finance class was composed of disenchanted ex-engineers. Unless senior management take bold steps to enhance career prospects for engineering graduates by, say, paying salaries equivalent to other professions (that is, not equivalent to other engineers), we could see the number of disenchanted engineers rising even higher.

My delegates, drawn from academia, consultancies and institutions as well as from industry, are more "representative" than a carefully structured sample of 434 engineers and managers working in engineering companies, is manifestly non-sense.

The professional institutions are well aware of the importance of CPE (continued education and training); today's world of rapidly changing technology makes a graduate's knowledge obsolete in three years after taking a degree. In conjunction with the Department of Trade and Industry and the Engineering Industry Training Board, this institute has set up and organised a popular part-time awareness course on advanced manufacturing techniques, the first of its kind in the UK, with some 180 colleges and polytechnics participating.

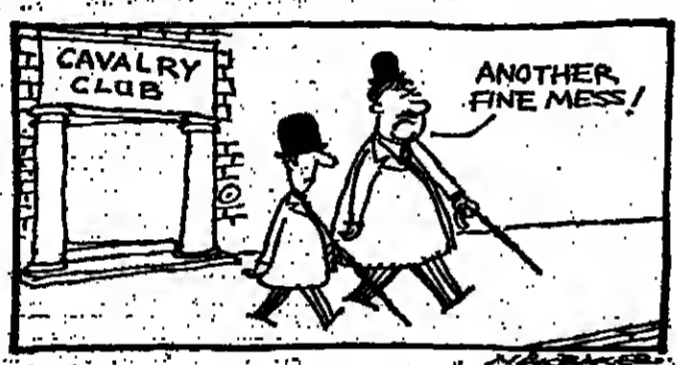
We also "teach the teachers." We have just finished an annual summer school where UK experts in their field

update college and polytechnic lecturers. This year we concentrated on manufacturing in the electronics industry. Companies and Government must do much more to encourage a greater number of technologists and managers - male and female - to undertake in-career updating. Shortage of engineers is the result of narrow curricula, biased heavily towards analytical science. Japan produces nearly 10 times as many engineering graduates as the UK but only half the number of scientists. There is a lesson somewhere. Gordon J. Hawkins, The Institution of Production Engineers, Rochester House, 65 Little Ealing Lane, W5

Despite the engineering industry's longstanding commitment to Europe and the single market, many engineering managers in this country are clearly worried that 1992 represents a threat, rather than an opportunity, for their companies.

Social 'rights' in the EC

From Mr Richard Brown... Sir, Mr Holger Schmieding makes a too-often repeated assertion (August 2) that the European Community Social Dimension, by raising labour costs, will provoke irresistible demands by the European Community's poorest countries for protection.



Bolshoy loses on points

From Mr Michael Varcoe-Cocks... Sir, There have been glorious moments in the Bolshoy's ballet season at the London Coliseum, but Clement Crisp has hung up his critical faculties with Ulanova's pointe shoes if he can seriously assert that the company's director, Mr Gligorovich, has given it "a new sense of purpose and sustained its undiminished excellence over the last 25 years" (9).

An examination of the current social "rights" - holidays, employment protection, minimum wages and parental leave in EC member states - shows that the citizens of "poor countries" like Portugal enjoy a high level of rights. Increased costs will be incurred by employers in "rich" countries like the UK, where the level of protection is low.

The competitive position of countries like Portugal in relation to the UK is therefore more likely to improve as a result of the European Community Social Dimension - not the reverse.

While the Social Dimension may well push the European Community towards a more protectionist stance, it would be wrong to blame the "poorer" countries. Richard Brown, Head of External Policy, British Institute of Management, 64-72 Kingsway, W1C

In general standards of production, technical skill, repertoire and communication of "joy in movement," the Bolshoy is surpassed by New York City Ballet, the Kirov and the Paris Opera Ballet, and hardly keeps its head level with American Ballet Theatre, the Royal Danish Ballet and the John Neumeier's Hamburg Ballet.

While the Social Dimension may well push the European Community towards a more protectionist stance, it would be wrong to blame the "poorer" countries. Richard Brown, Head of External Policy, British Institute of Management, 64-72 Kingsway, W1C

Officers are to be seen lurking in club changing rooms on Sunday morning, frantically trying to repair the bowler hat that a colleague has just swiped. I myself have spent an entire Saturday evening going from pub to pub, "claiming" a "lost" black umbrella which I eventually laid hands on - as it happened, completely untraceable, but reasonably presentable in rolled-up form. Ashley Euggins, Kingsway Rowland, 67-69 Whitfield Street, W1

Production of "Bowler" hats from cheap rabbit fur was made possible by the discovery, in the late 1840s, of the effect of treating the skins with nitrate mercury to improve the felting properties of rabbit hair fibres, thus avoiding the need to include expensive beaver fur.

From the 1880s until 1914, when war time supply restrictions cut down this trade, Christy's exported annually over 1m hard (bowler) hats throughout the world. Informalities of dress began after 1918 - encouraged by the then Prince of Wales - and after the end of the Second World War in 1945 Christy's never employed more than 750 work-people in the Stockport factory. Considerable mechanisation took place in the 1980s, accelerating after 1945.

From Mr Edmund Dell... Sir, I enormously enjoyed Michael Prowse's Lombard article ("The irrelevance of micro reforms," August 4).

From Lieutenant Colonel J.A. Christie-Miller... Sir, Alice Rawithorn's interesting article on bowler hats (July 31).

I would be interested to learn your authority for ablac an insect excrement - I know it as resin, tapped from a particular tree in India. John Christie-Miller, Manor House, Bourton-on-the-Hill, Moreton-in-Marsh, Gloucestershire

From Mr L.A. Matthews... Sir, You recently made international comparisons of the cost of tap water; less than £1 per cubic metre in Europe.

The debate on European monetary union

From Mr Peter Colbrick... Sir, One of Martin Wolf's conclusions, in his article on European monetary union (EMU), was that "there must be no pressure for EC-wide common wages or working conditions" aided by the adoption of the Social Charter because this would lead to existing problems of low productivity regions (August 7).

severely challenge this sort of behaviour, and economists generally applaud this. They should equally applaud the growth of European-wide collective bargaining.

investment generally. Of course it is wrong to believe that social progress can be sustained without economic progress, but have events in China and in eastern Europe not shown again that economic progress cannot be sustained without social progress, either? Peter Colbrick, European Trade Union Confederation, Rue Montagne aux Herbes Potagères 37, 1000 Brussels, Belgium

From Mr Peter Robson... Sir, Martin Wolf's article ("The tricky aerodynamics of EMU," August 7) reminds me that during the last great war - as I recall - the Miles aircraft team (which had success-

FOREIGN AFFAIRS

Time for a farewell to arms

Edward Mortimer submits that it is time to end weapons supplies to both sides in Afghanistan

his regime had proved to be viable without having to be defended by American troops, many would have wished it good luck. With hindsight, it would have been better if Vietnam had been spared that "decent interval"; if there had been instead a ceasefire and a negotiated peace. Better still, perhaps, this would have enabled the South Vietnamese people to "decide for themselves the political future of South Vietnam through genuinely free and democratic general elections under international supervision."

Afghanistan is not Vietnam and the Afghan mujahideen are not the Viet Cong

were represented equally and all decisions taken unanimously. This, of course, is precisely what was prescribed by the Paris Peace Agreement of January 1973, except that the body to organise the elections was not called an interim government but a "National Council of National Reconciliation and Concord" (so that the two rival governments could remain in existence until the elections were held).

defeat in Afghanistan, but only because they knew that they had lost the Vietnam war not in the jungles of Vietnam itself but on the streets and campuses of the United States. Obviously the US was stronger than North Vietnam, but it was also a democracy whose people were unwilling either to "bomb Hanoi into the stone age" or, after a time, to accept the apparently unending sacrifice of their own sons for the freedom of lukewarm and unworthy allies. The Soviet government, it was assumed, would have no need to pay attention to such scruples. But at least it should be made to pay the full cost of its mistake, both in military and economic resources and in terms of its international political standing.

As it turns out, the political cost to the Soviet regime was higher than had been supposed, and the nature of that regime has undergone a change which no one expected. Like the Americans in 1973, the Russians have cut their losses and got out. The parallel has proved so surprisingly close that Americans assumed that it would be followed also "on the ground." Kabul would fall to the mujahideen as Saigon did to the Viet Cong. Indeed, so sure were many in Washington of this that they did not even expect to have to wait two years. They thought it would be a matter of weeks or at most months.

But Afghanistan is not Vietnam. The mujahideen are emphatically not the Viet Cong, and any attempt to cast Pakistan as North Vietnam will certainly invite disaster. The Kabul regime is actually holding its own without Soviet troops, though admittedly with massive reinforcements of Soviet weapons. The US is now said to be belatedly trying to match these new supplies to the mujahideen, at a time when the latter seem increasingly by turning their weapons against each other.

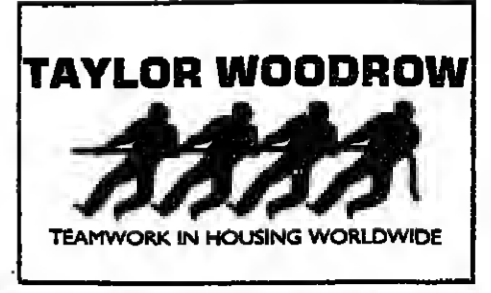
Does this policy really lead to anything but more devastation in a country which has suffered far too much? Mr Gorbachev is now offering the "negative symmetry" of ending arms supplies to both belligerents.

Some mujahideen are now willing to explore Kabul's offer of a ceasefire and an interim government in which power would be shared pending elections under the presidency of a neutral "third force." persons representing ex-king Zahir Shah. Should the US not encourage those mujahideen, rather than urge them on to yet another attempt at military victory?

Advertisement for WorldPerks featuring a large graphic of a ticket that says 'FREE TICKET TO THE U.S.A.' and 'FOR THE FASTEST ROUTE TO FREE AIR TRAVEL HEAD NORTHWEST'. The ad includes a form to join now and get 3,000 miles bonus, with fields for name, company, address, and telephone number. It also lists WorldPerks Program Headquarters at 1 Grayfriars, Northampton NN1 2LQ, England.







VEHICLE CONTRACTING GOWIE interesting... Tel: 021-11 510 0484

INSIDE

Lilley constructs a bid for Tilbury

On paper, construction company Lilley looks unlikely to win its bid for Tilbury...

Ireland leads the field

The Irish stock market was propelled sharply higher last week due to the plan hatched by Jafferson Smurfit...

Savage prays for rain

Savage Group, the USM-quoted DIY and hardware group, is not a fan of the hot summer...

Elders special brew

The Elders saga has moved on a stage. The company's board rejected a proposal from some of its own members...

Shifting mineral sands

In the rolling sands of Australia and southern Africa, something is stirring: a great deal, in fact...

Market Statistics table with columns for Base lending rates, Benchmark Govt bonds, European options, etc.

Companies in this section table listing various companies like KHR, Argos, BAT Industries, etc.

Chief price changes yesterday

Table showing price changes for various commodities like Wheat, Coffee, Sugar, etc.

Most of Gold Fields' GFSA stake sold

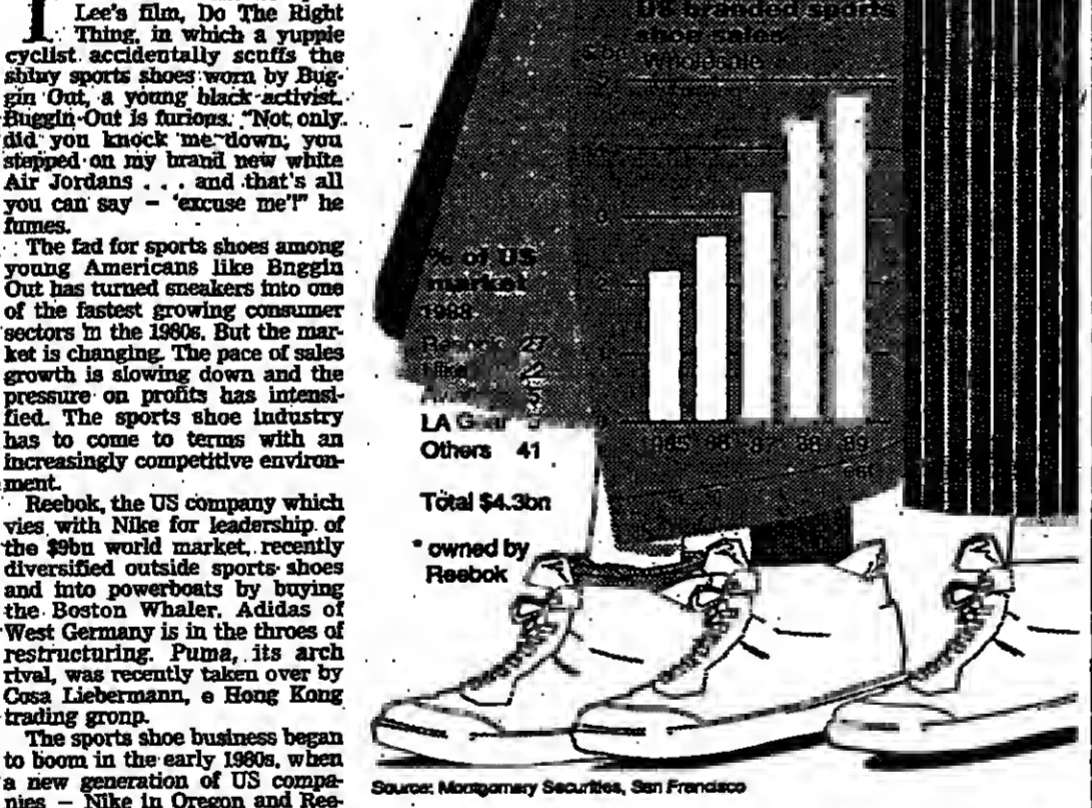
ONLY ONE week after winning control of Consolidated Gold Fields for \$3.5bn, Hanson...

Hanson's nine-month profits increase by 23%

HANSON, the UK conglomerate which began disposing of parts of the recently acquired Consolidated Gold Fields group yesterday...

Street fashion picks up pace as fitness fades

Alice Rawsthorn reports on how manufacturers are trying to cope with changes in the sports shoe market



Reebok, the US company which vies with Nike for leadership of the \$9bn world market, recently diversified outside sports shoes...

Morgan Stanley move causes Eurobonds row

A ROW over the way in which bankers launch and distribute Eurobond issues erupted yesterday when it emerged that Morgan Stanley was preparing to issue a dollar-denominated deal for New Zealand...

Hoylake's Farmers trustees may earn \$100,000

THE THREE trustees who would temporarily supervise the US insurance subsidiary of BAT Industries if the \$13.5bn (\$21.6bn) all-paper bid from Sir James Goldsmith's Hoylake consortium is successful...

According to the new filings made to the commissioners by Hoylake last week, the three trustees - who were named last Wednesday - received \$50,000 on the public announcement of their names...

Advertisement for B.A.T. Industries with text 'Have you heard the full story about the Hoylake bid? As a B.A.T. Industries shareholder we've got news for you! Call us free. Any time. 0800 444 930 B.A.T. LINE'

INTERNATIONAL COMPANIES AND FINANCE

Koor to dispose of electronics offshoot in effort to cut debt

By Tony Walker in Jerusalem

KOOR INDUSTRIES, the debt-ridden Israeli public sector conglomerate, is to sell Tadiran, its troubled electronics subsidiary, in an effort to reduce its unmanageable US\$1.25bn debt.

Elders board rejects Elliott offer

By Chris Sherwell in Sydney

THE A\$3 per share offer by Harlin Holdings for Elders IXL is neither fair nor reasonable, according to a detailed valuation of the Australian brewing, agribusiness and finance multinational released yesterday.



John Elliott, chairman of Elders IXL

group and the Goodman Fielder Wattle food giant. Harlin has underwritten the offer of Pettio's holding, so that if Elders shareholders do not take it up, Harlin's holding in Elders would rise to 42 per cent, and more than 50 per cent if convertible notes and options are taken into account.

when the Pettio share offer was announced, close to A\$2.59 yesterday, in the same period the market as a whole has also strengthened significantly. In arriving at its judgment, the report virtually underscores a broad perception - that Elders IXL is a conglomerate with very little synergy among its five divisions of brewing, agribusiness, finance, resources and investments.

Of brewing's A\$4.95bn to A\$5.50bn contribution, less than A\$1bn comes from its Australian and British pubs. The next largest contribution - A\$2.62bn to A\$2.78bn - comes from Elders investments and corporate assets.

CONTRACTS

Opencast mining project

British Coal Opencast Executiva has awarded a £24.4m contract to FAIRCLOUGH-PARKINSON MINING to extract coal from the Skelton opencast site at Templenewsum, east of Leeds.

GEC wins thyristor order

GEC ALSTHOM Transmission and Distribution Projects, Stafford, has been awarded a £20m contract to design, make and supply four thyristor valve groups for Manitoba Hydro's Dorsey and Radisson HVDC converter stations in Canada.

IN BRIEF

Helicopters for Norway

WESTLAND HELICOPTERS has won a £12.1m order from the Royal Norwegian Air Force. The package includes one new Sea King helicopter, and the update of the Norwegian search and rescue fleet.

Westpac Banking to lift provision for bad debts

WESTPAC Banking Corporation expects to increase its provision for bad debts by between 15 and 20 per cent in the second half of the year to September compared with the first-half charge of A\$226m (US\$172m), Renter reports from Sydney.

Suntory maintains whisky sales growth

By Ian Rodger in Tokyo

SUNTORY, the Japanese drinks group, has managed to maintain the growth of its whisky sales in Europe despite the removal of taxes in Japan which discriminated against imported spirits.

marketing alliance with Allied Lyons of the UK last autumn and recently took a 19 per cent stake in the Bordeaux wine interests of the French GMF insurance group - said its pre-tax profits reached ¥11.7bn (S\$2.5m) on sales of ¥354.1bn in the first half. Net profit was ¥2.4bn.

end from March to December. That means that the figures for the first half last year included the results from the crucial summer months whereas this year's did not.

Sales of food and non alcoholic beverages rose 30.3 per cent by volume and 18.2 per cent in value.

COMPANY NOTICES

ABBEY NATIONAL logo and notice header.

NOTICE to the holders of those £150,000,000 of the £250,000,000 FLOATING RATE NOTES 2000 currently outstanding (the "Original Notes")

constituted by Trust Deeds (the "Trust Deeds"), of which the principal is dated 15th October, 1985, all made with The Law Debenture Trust Corporation p.l.c. as Trustee for the holders of the Notes (the "Noteholders")

NOTICE IS HEREBY GIVEN TO THE NOTEHOLDERS THAT:- (i) pursuant to the Terms and Conditions of the Notes (as modified by the Thirteenth Supplemental Trust Deed dated 24th February, 1989, formal notice of which was given to Noteholders on 27th February, 1989), as a result of the transfer on 12th July, 1989 of the business of Abbey National Building Society to the Issuer pursuant to Section 67 of the Building Societies Act 1986, each Noteholder has the option to have all or any of his Notes redeemed by the Issuer at par on the Interest Payment Dates falling on 17th October, 1989 (in the case of the Original Notes) and 5th October, 1989 (in the case of the First 1993 Notes) (in addition to the further option described in paragraph (iv) below);

PRINCIPAL PAYING AGENT The Chase Manhattan Bank, N.A., Woodgate House, Coleman Street, London EC2P 2HD

DBS boosts first-half profits by one-third

By Our Financial Staff

DEVELOPMENT BANK OF SINGAPORE (DBS), the island's main state-controlled banking group, boosted net profits for the first half of the current year by nearly a third to S\$112.9m (US\$57.9m) from S\$86.3m.

This was achieved on turnover which expanded just as sharply to S\$66.7m from S\$30.7m.

It said that given the current buoyant property market, the directors were confident that the good results would be maintained in the second half to December.

First Chicago Corporation

US\$200,000,000 Floating Rate Subordinated Capital Notes Due 1997 Notice of Rate of Interest

Australian Rothmans earnings surge 45.7%

By Our Financial Staff

ROTHMANS HOLDINGS, the half-owned Australian tobacco offshoot of the UK's Rothmans International, boosted net profit 45.7 per cent to A\$104.1m (US\$79m) in the year to June 30 on sales which rose just 2.7 per cent to A\$1.73bn.

extraordinary credit of A\$29.9m compared with a A\$2.3m charge last time. A final dividend of 27 cents makes 97 cents for the year - it includes two special dividends totalling 45 cents and compares with a total payout of 36 cents in 1987-88. Earnings per share were given as 204 cents against 72 cents.

NOTICE OF REDEMPTION

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Washington, D.C. ("IBRD")

IBRD 7.9% Japanese Yen Bonds of 1983 Due 1995 (Twenty-second Series) (the "Bonds")

Table with columns for Denomination (Yen), Numbers, and Denomination (Glen), Numbers. Includes redemption details and dates.

LEGAL NOTICES

TELEGRAM PLC Registered number 200045 Nature of business, LEGAL COMPANY Trade classification, 38 Date of appointment of administrative receiver 3 AUGUST 1989

Email to raise A\$82.5m through share placement

EMAIL, the Australian household appliance manufacturer, is to raise about A\$82.5m (US\$) through the placement of 19.2m shares, or 10 per cent of current issued capital, at A\$4.30, Renter reports from Sydney.

stockbroking firm. Earlier this month Mr Peter Finley, Email chairman, told shareholders at the annual meeting that sales and profits were up almost 20 per cent in the first quarter.

Banamex Banco Nacional de Mexico, S.A. Floating Rate Subordinated Notes Due 1992

U.S. \$60,000,000 Banamex Banco Nacional de Mexico, S.A. Floating Rate Subordinated Notes Due 1992

ADVERTISE YOUR HOUSE IN FULL COLOUR every Saturday in the Weekend FT. To find out more call Kimberly Taylor on 01-873 3231/4885.

LG INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD Tel: 01-828 7233/5699

INTERNATIONAL COMPANIES AND FINANCE

# KKR reveals reshape at another troubled concern

By Anatole Kalotzky in New York

KOHLBERG Kravis Roberts, the leading US leveraged buy-out firm, has admitted that another of its investments, Seaman Furniture, has run into trouble and will have to be restructured.

The reshape would almost certainly involve substantial losses for subordinated bondholders, according to officials involved with the deal.

The Seaman problems emerged less than two weeks after the disclosure that another KKR investment, SCI Television, would probably fail to meet its debt repayment schedule and would be asking creditors for a restructuring.

The miscalculations involved in these two LBO deals will seriously mar KKR's record and could increase its difficulties in arranging junk bond financing for future buy-outs, even though the financial losses will probably be insignificant for the firm and its equity investors.

Seaman, which is the biggest specialised furniture retailer in

the New York area and the second largest in the US, was acquired by KKR in a \$354m buy-out less than two years ago.

It has bank debts of nearly \$57m and subordinated junk bond debts with a face value of \$78m. Much of the \$40m in equity injected by KKR and the \$10m from Mr Morton Seaman, the company's chairman, was spent on the costs of the LBO.

In the last year Seaman's sales have fallen, instead of rising by 5 per cent as projected by KKR at the time of the buy-out. In the eight years before the LBO Seaman's sales had grown by an average of about 20 per cent a year.

Because of the shortfall in revenues, as well as the rise in short-term interest rates this year, Seaman told its bankers last Friday that it would need a debt restructuring.

KKR officials admitted that any restructuring would probably cause a further reduction in the value of Seaman's junk bonds, which trade at less than

50 per cent of their face value.

Wall Street sources also forecast that SCI's bonds, currently trading at between 30 and 65 per cent of their face value, would probably fall further after a restructuring.

SCI is a group of television stations acquired in 1987 for \$1.2m as part of a "second generation LBO" by KKR, with a partner, Mr George Gillette, bought the TV stations from Storer Communications, another LBO investment it already controlled.

The deal enabled KKR to cash in almost \$1m of its profits from Storer in exchange for a new equity investment of less than \$100m. SCI is having trouble meeting its scheduled debt repayments because TV station values have dropped precipitously in the past two years.

The difficulties experienced by Seaman could draw attention to the potential problems of bigger retailing companies which have been involved in highly-leveraged transactions.

# Packaging activities lift Dutch paper group

By Laura Raun in Amsterdam

EARNINGS at KNP, the Dutch paper group, climbed by 25 per cent in the first half of 1989 due to contributions from its packaging activities and non-consolidated companies.

Net income jumped to Fl 163m (\$74.4m) from Fl 130.7m a year earlier, while earnings from non-consolidated companies were hoisted to Fl 44.8m from Fl 3.5m. Per-share earnings rose more slowly, by 12.5 per cent to Fl 3.85, due to a greater number of shares outstanding.

Mr P.J. de Wit, chairman of KNP's management board, forecast yesterday that per-share earnings for the full year would exceed the Fl 6.71 of 1988.

For the second half he said a further flattening of the profit growth in paper would be offset by favourable developments in the most important non-consolidated companies.

In the second half about Fl 15m of extraordinary income is expected from the sale of a 37.5 per cent stake in Celupal, a Spanish paper company, to Torras Rotenich, Spain's biggest paper producer.

Revenue rose 11 per cent to Fl 1.4bn in the first six months from Fl 1.26bn a year earlier.

# Drexel agrees fines with 10 states

By Janet Bush in New York

DREXEL Burnham Lambert, the US securities house which earlier this year pleaded guilty to six felonies in its settlement with the Securities and Exchange Commission over securities fraud charges, has now effectively headed off investigations into its activities by several US states.

In a voluntary agreement drawn up by Drexel and the North American Securities Administrators Association, a collection of US and Canadian administrators, the beleaguered Wall Street brokerage

has agreed to pay \$975,000 in fines to 10 states.

Drexel, which said in April it was selling its retail brokerage network which employed about 2,300 and has since done so, said it expected to settle with most other states and that it anticipated paying another \$11.5m to ensure it could continue to operate freely across the country.

The company, which earlier this year agreed in its settlement with the SEC to pay a \$650m fine and to certain agreements on maintaining

internal discipline and regulation, also said it would contribute funds to a foundation designed to promote securities regulations and ethics.

The firm's announcement of a big restructuring in April, which included selling its retail business, was acknowledged to be partly due to the difficulty, having admitted felonies, of operating in areas where the public was most directly involved.

Several state regulators had talked publicly about their intention to investigate Drexel

# Asko and Ahold discuss pact

By Haig Simonian in Frankfurt

THE CHANCES of closer links between Asko, the big West German retailing group, and Ahold, the Dutch retailing concern, rose sharply yesterday following confirmation that the two companies were talking about possible co-operation.

However, neither side would say whether the discussions included the purchase of reciprocal equity stakes, as rumoured in the Dutch press last week.

Mr Helmut Wagner, Asko's chief executive, said his group

and Ahold were discussing the possibility of joint buying. Such an agreement would probably take place via Interbuy, the joint purchasing concern set up by Asko last year.

Mr Wagner has regularly mentioned the possibility of working more closely with other big European retailers in order to improve efficiency and bring down costs. Details of such arrangements have tended to be sketchy, and links have been restricted to joint

purchasing.

Mr Wagner has also suggested that the 20 per cent stake in Asko owned by Massa, with which Asko is closely associated, could one day form the basis for an equity relationship with other European concerns.

At its press conference last month the fast-expanding Asko group said it remained keen on further growth, although this was now likely to come mainly through minority stakes in other European retailers.

# Oxdon extends Steinberg bid

RIDDING for Steinberg, the Canadian grocery and property empire, will continue for at least another week, Robert Gibbens writes from Montreal.

Oxdon Investments of Toronto has extended its C\$1.35bn (US\$1.1bn) offer until August 22, the same day that its rival's bid is due to expire.

The Caisse de Depot, the Quebec pension plan manager, has bid C\$1.33bn for Steinberg, together with Socanav, a Montreal transport group.

Both are offering C\$75 a share for the group's voting shares while Oxdon's price for the non-voting stock is C\$53 a share and Caisse-Socanav C\$51.

# Lower margins slow K mart

By David Owen in Toronto

K MART, the US retail group, saw profits fall in the second quarter after group sales failed to match expectations and it recorded lower gross margins, Agencies report.

Second-quarter net income declined to \$145m or 72 cents a share from \$162.8m or 81 cents on sales of \$7bn, compared with \$6.68bn. At the half-way stage net income also fell to \$239.1m or \$1.19 against \$283.6m or \$1.41. Sales rose to \$13.1bn from \$12.6bn.

The company said second-quarter gross margins were lower than a year ago, at 26.4 per cent of sales compared with 26.9 per cent. This reflected K mart's strategy of reducing shelf prices and increasing the sales contribution from its lower-margined Makro operation in the 1989 results.

Mr Joseph Antonini, chairman and chief executive, said that weak sales in May resulted in lower than expected

sales for the quarter.

However, in spite of the disappointing quarterly profit Mr Antonini said he expected results to improve.

"We anticipate an improving trend in sales and earnings, reflecting our strengthened merchandising programmes, our continuing emphasis on everyday low prices and increased utilisation of retail automation systems to improve the management of store hours and productivity."

# ISS rises after purchase of US cleaning group

By Hilary Barnes in Copenhagen

ISS, THE Danish-based international office cleaning and building maintenance group, increased first-half sales by 44 per cent to Dkr1.65bn (\$618m) and profits after depreciation by 59 per cent to Dkr153.9m.

Earnings in sales and earnings reflected primarily the group's acquisition last year of ADT, the American cleaning group, which added Dkr1.25bn to first-half turnover. The acquisition also led to a jump in net financial costs, which were up from Dkr2.5m to Dkr4.7m, while a Dkr233m goodwill write-off contributed to a reduction in group equity capital from Dkr618m to Dkr513m.

First-half earnings before extraordinary items were up from Dkr93.3m to Dkr109.2m, pre-tax profits advanced from Dkr67.6m to Dkr126.7m and net profits rose from Dkr54.2m to Dkr92.2m.

# Hewlett-Packard warns on forecasts

THIRD-QUARTER operating results for Hewlett-Packard, the US computer and electronics manufacturer, will be below analysts' forecasts, AP-DJ reports.

The company, which reported flat second-quarter earnings, said net earnings were expected to range between 75 and 80 cents per

share, after a reduction of 10 to 15 cents per share following the acquisition of Apollo Computer in May.

This compares with 90 cents per share in the third quarter of 1988. Security analysts' estimates average about 90 cents per share after recognising the effects of the Apollo acquisition.

Hewlett-Packard said US and international orders for its products continued to show good year-to-year growth.

However, the company warned that revenues would fall below expectations because of continuing difficulties in adjusting shipments to match the changing mix of its business.

# Connaught BioSciences ahead sharply

By David Owen in Toronto

CONNAUGHT BioSciences, which is proposing to merge its human-health businesses with those of France's Institut Merieux to create the world's largest vaccine producer, has reported ably improved quarterly and half-year earnings.

Second-quarter income totalled C\$10.1m (US\$3.6m) or 45 cents a share, against C\$5.5m or 25 cents in the year-earlier period. Revenue advanced to C\$61.5m from C\$53.3m.

For the six months ended June 30, profit reached C\$17.1m or 78 cents a share on revenue of C\$118.1m, against C\$12.2m or 55 cents on revenue of C\$101.7m.

Year-ago figures include an extraordinary second-quarter charge of C\$3.5m.

Chevron Canada Resources, for 25 years a leading oil and gas prospector, is buying 17.5 per cent of the Amaxialak oil field from Husky Oil for

C\$150m, Robert Gibbens writes from Montreal.

Amaxialak, located in the shallow waters of the Beaufort Sea, is about 2,000 miles north of Calgary and has probable reserves of well over 500m barrels of oil and 2,000bn cu ft of gas. Chevron's San Francisco parent is a leading developer on the Alaskan side of the Beaufort Sea.

Oil industry experts believe Amaxialak needs international oil prices of well over US\$20 a barrel to justify development. In addition, a similar field would be needed to justify an oil pipeline south via the Mackenzie River valley.

Last year Chevron Canada bought into Imperial Oil properties in the Mackenzie delta, where large reserves of gas and some oil were found in the 1970s.


Spar Aerospace, a leading Canadian high-tech group, is cutting its workforce by about 10 per cent and may close

# Mack Trucks cut production rates

MACK TRUCKS of the US plans to reduce production rates at its manufacturing and assembly facilities, Reuter reports. Daily production rates for heavy-duty class 8 vehicles in the latest quarter are scheduled to be about 45 per cent lower than in the 1989 second period.

Demand for Mack's class 8 trucks has declined in each of the past four months.

This announcement appears as a matter of record only  
June 1989



**NORWICH CORRUGATED BOARD LTD**

£19,250,000  
Senior Debt and Revolving Credit Facilities  
to Fund a Management Buy-Out

Arranged by  
**National Westminster Bank PLC**  
Acquisition Finance Unit

Funds Provided by  
National Westminster Bank PLC  
Banque Indosuez, London Branch  
The Tokai Bank, Limited  
Westpac Banking Corporation  
Nippon Credit Bank Limited  
Union Bank of Switzerland, London Branch

Equity and Mezzanine Finance Arranged by  
Phildrew Ventures

Agent  
National Westminster Bank PLC

**NatWest Syndications**

## Canadian Pacific Limited

**C**anadian Pacific Limited had net income for the second quarter of 1989 of \$136.3 million, or 43 cents per Ordinary share, compared with \$230.4 million, or 76 cents per share, in the corresponding quarter of 1988. For the first six months of 1989, net income was \$270.4 million, or 85 cents per Ordinary share, compared with \$414.3 million, or \$1.37 per share, in the first half of 1988.

The company's performance this year has been affected mainly by continued weakness in railway traffic, particularly grain, and by lower net income from shipping, forest products and real estate activities. AMCA International Limited's results continued to improve and produced income in the first half of 1989 compared with a loss in 1988.

	2nd Quarter		First 6 Months	
	1989	1988	1989	1988
Transportation and Waste Services	\$ 22.5	\$ 78.8	\$ 48.4	\$ 161.5
Energy	35.6	35.7	71.9	56
Forest Products	59.0	61.4	109.6	120.4
Real Estate and Hotels	11.8	43.0	26.3	64.0
Telecommunications and Manufacturing	8.6	(3.5)	13.9	(6.4)
Discontinued Businesses	-	14.0	-	21.1
<b>Net Income</b>	<b>\$ 136.3</b>	<b>\$ 230.4</b>	<b>\$ 270.4</b>	<b>\$ 414.3</b>
Average number of shares outstanding (millions)	317.1	303.4	317.0	303.2
<b>Earnings per Ordinary share</b>	<b>\$ 0.43</b>	<b>\$ 0.76</b>	<b>\$ 0.85</b>	<b>\$ 1.37</b>

Despite highly-competitive newsprint markets, a slowing economy and a strong Canadian dollar, Canadian Pacific continues to expect a good level of earnings this year. A successful grain crop this fall should boost railway traffic later this year, demand for pulp is expected to remain firm, and oil prices, while possibly volatile, should remain above the depressed levels of the latter part of last year. In the second half of 1989 significant land sales are anticipated along with gains on the sale of the bulk shipping operations, the sale of a 40 per cent interest in CNCP Telecommunications to Rogers Communications Inc., and the sale of AMCA's Giddings & Lewis unit.

For more information, please write to: Denis Keast, Director, Financial Services, Canadian Pacific Limited, 62-65 Trafalgar Square, London WC2N 5DY

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, August 14, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates, except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns: COUNTRY, £ STG, US \$, D-MARK, YEN (x 100), COUNTRY, £ STG, US \$, D-MARK, YEN (x 100). Lists various countries and their exchange rates.

INTERNATIONAL CAPITAL MARKETS
Soviet bank expected to launch Austrian deal

By Andrew Freeman
THE FIRST foreign borrower is expected to tap the Austrian domestic bond market as part of the wider financial liberalisation programme announced by the Government earlier this year. The initiative is motivated by Austria's stated desire to join the European Community. The deal is expected to be a Schlitz six-year straight deal for the Bank for Foreign Economic Affairs of the USSR, the Soviet Union's foreign trade bank. It has informally been given permission by the Capital Markets Committee which advises the Ministry of Finance.

Baer sets up mergers and acquisitions business
Go-ahead for Uruguay yen bond

By John Wicks in Zurich
BAER HOLDING of Zurich has announced the formation of Julius Baer Atlantic in Zurich and New York to specialise in actively managing and acquiring (M&A) and other corporate financial services. Working through subsidiaries in Switzerland and the United States, the new company is to operate offices in these two cities and in London. The group, whose main members are Bank Julius Baer, is already active in all three centres, particularly in the field of investment counselling and portfolio management. The Zurich subsidiary's chairman and chief executive officer is to be Mr Jürg Geigy, a director of Baer Holding. Mr John McDonald will be chairman of the Swiss Bank controlled by the New York unit. He was formerly managing director in

TRADE INDEMNITY
THE CREDIT RISK MANAGERS
01-739 4311
SPECIALIST EXPORT FINANCE

BANAMEX
BANCO NACIONAL DE MEXICO
NOTICE TO INVESTORS
Banco Nacional de México S.N.C. advises that the shareholding of the Federal Government and its Semi-State Institutions is for sale, which represents 99.08% of the registered capital of:
TURBORREACTORES, S.A. DE C.V.
whose main activity is the repair of aeronautical turbines.

EMESS plc
Emess mark has acquired 89% of the shares of Eclatec SA, Nancy, France.
This acquisition was initiated by:
FLETCHER SCOTT LTD Edinburgh, London
ADAMS & ROYER SA Paris, New York

Shawmut Corporation
U.S.\$50,000,000
Floating Rate Subordinated Notes
Date 1997
Notice is hereby given that the Rate of Interest has been fixed at 9.125% and that the interest payable on the relevant Interest Payment Date November 15, 1989 against Coupon No. 19 in respect of US\$10,000 nominal of the Notes will be US\$233.19.

Wells Fargo & Company
U.S. \$200,000,000
Floating Rate Subordinated Notes due 1998
In accordance with the provisions of the Notes, notice is hereby given that the Interest period 15th August, 1989 to 15th November, 1989 the Notes will carry an Interest Rate of 8 7/8% per annum. Interest payable on the relevant interest payment date 15th November, 1989 will amount to US\$226.81 per US\$1,000 Note.

BANK OF GREECE
US \$250,000,000
Floating Rate Notes due 1997
Holders of Floating Rate Notes of the above issue are hereby notified that for the interest period from 16th August, 1989 to 16th February, 1990 the following information is relevant:
1. Rate of Interest: 9% per annum
2. Interest Amount payable on Interest Payment Date: US\$ 460
3. Interest Payment Date: 16th February, 1990

Banca Nazionale del Lavoro
Floating Rate Depository Receipts Due 1997
Notice is hereby given that the Rate of Interest has been fixed at 9.125% and that the interest payable on the relevant Interest Payment Date November 15, 1989 against Coupon No. 19 in respect of US\$10,000 nominal of the Receipts will be US\$233.00.

Bankers Trust
International Capital N.V.
U.S.\$200,000,000
Guaranteed Floating Rate Subordinated Notes Due 1996
For the three months 16th August, 1989 to 16th November, 1989 the Notes will carry an interest rate of 9 per cent per annum and interest payable on the relevant interest payment date 16th November, 1989 will be US\$230.00 per US\$1,000 Note.

FT INTERNATIONAL BOND SERVICE

Table listing international bonds with columns: US DOLLAR, DEUTSCHE MARK, SWISS FRANC, YEN STRAIGHTS, CONVERTIBLE, STRAIGHTS. Includes bond names, amounts, and yields.





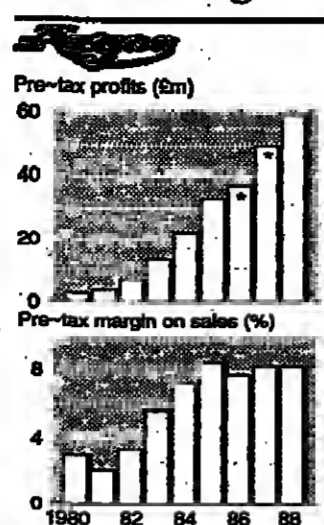
UK COMPANY NEWS - THE BID FOR BAT

Argos: singular success and unbundler's dream

BAT's attempts at diversification into retailing have been a catalogue of failure - with one exception

OF ALL BAT Industries' attempts at diversification, Sir James Goldsmith has been most scathing about the move into retailing. "A conglomerate within a conglomerate" was his description of the diverse range of UK, US and European retail activities.

With 62 shops by the end of 1988, BAT decided to quit rather than throw good money after bad. It closed the shops and sold the sites.



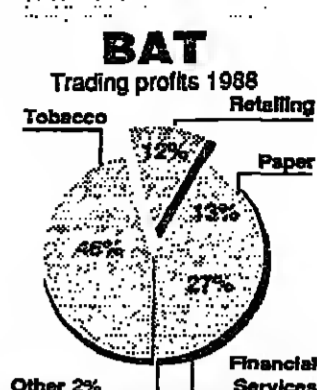
Pre-tax profits (£m) and Pre-tax margin on sales (%) from 1980 to 1988.



Argos - at £600m to £700m, any potential purchaser would be making the retail acquisition of the decade

announced a £200m expansion plan aimed at increasing the number of stores from the current 240 to 625 over the next 10 years.

BAT's performance in retailing is at the centre of Hoylake's most withering fire, and with the glittering exception of the Argos catalogue stores in the UK, the record indeed is none too bright.



BAT Trading profits 1988 breakdown.

A German asset not quite ripe for sale

HORTEN, West Germany's fourth largest retail group, has not exactly flourished under BAT Industries, although it has shed some ballast and tried to brighten up its image and profitability.

involving shops within shops. The other 13 shops, not in big towns, will be turned into mini-stores serving specialised local needs.

Table with columns: Turnover (DM bn), Net profits (DM m), and years 1984-1988.

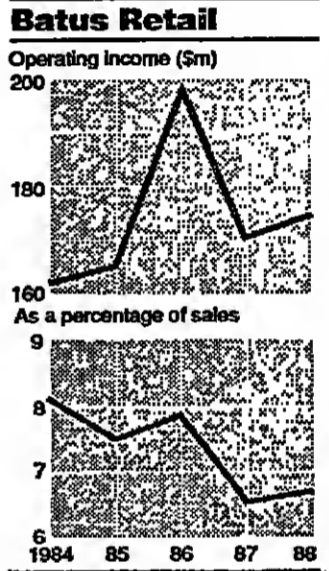
PROFIT ANALYSIS table showing turnover and net profits from 1984 to 1988.

previous Horten site, cost DM 12m. No other Carsch-Haus stores are planned.

Some of America's best-known stores, and some of its most anonymous

"THE BATUS stores are neither fish nor fowl," says one US department store analyst.

into profits from Saks and Marshall Field's department stores, which rely heavily on fashion sales.



Batus Retail Operating income (\$m) from 1984 to 1988.

per cent of the department store market here which is very high," Mr Martinez added.

Life business boost for Eagle Star

Eagle Star, BAT Industries' insurance subsidiary, said yesterday that its new life business expanded in the first half of the year, with strong growth in personal pensions and increased market share in mortgage related business.

companies such as Prudential Corporation which have seen a drop in new annual premiums from mortgage related business.

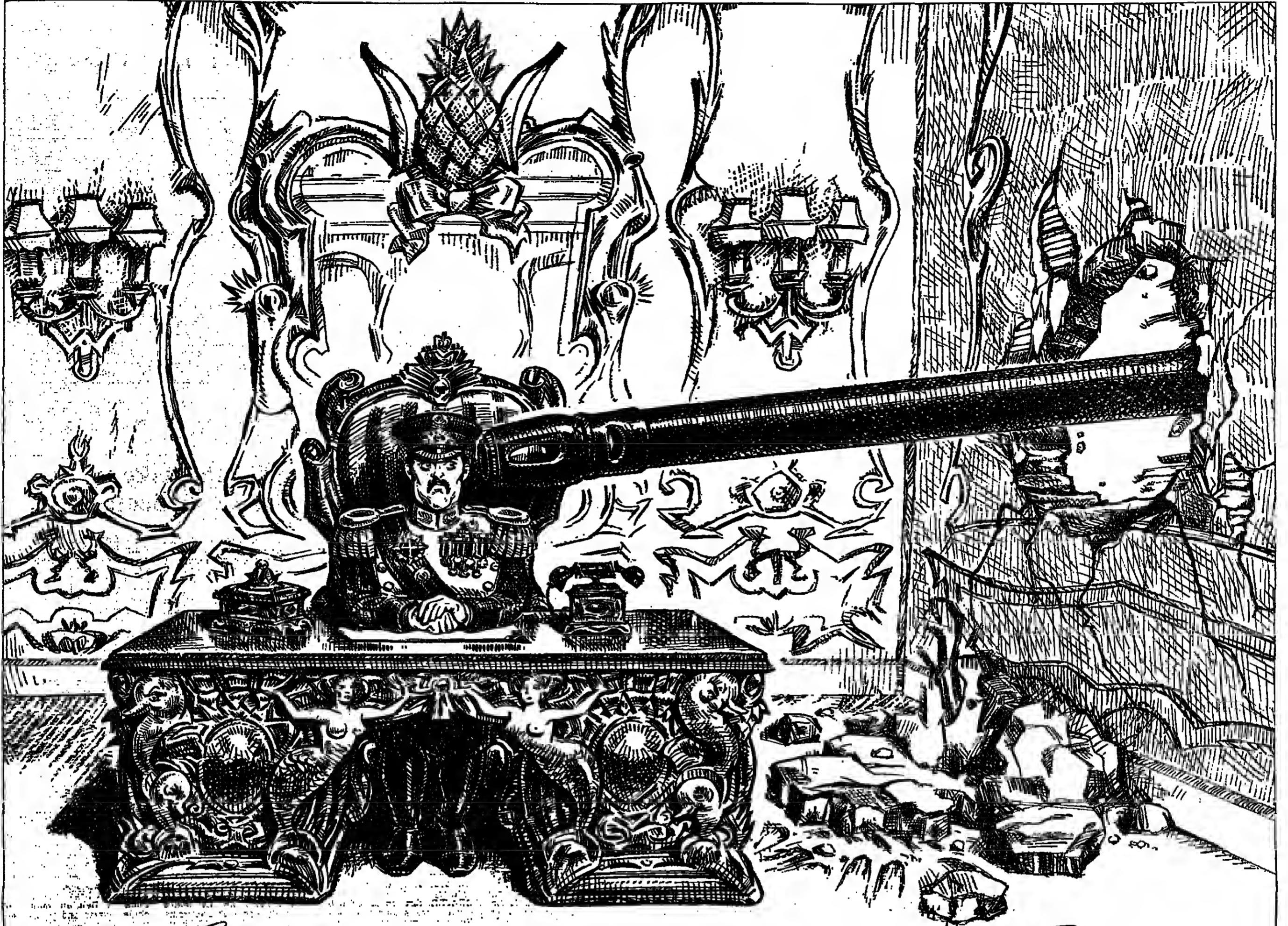
Tender Offer by Dillon, Read Limited on behalf of Caparo Group Limited for the sale of 15,582,329 ordinary shares in Armstrong Equipment PLC at a minimum price of 185 pence per share ("The Tender Offer")

Stena STENA (UK) LTD has acquired the whole of the issued share capital of HOULDER OFFSHORE LTD from FURNESS WITBY INVESTMENTS LTD. Arranged by Barclays Bank PLC Corporate Division Shipping Unit. Provided by BARCLAYS.

Dillon, Read Limited ("Dillon Read"), on behalf of Caparo Group Limited ("Caparo"), hereby invites, subject to the following terms and conditions, tenders for the purchase of 15,582,329 ordinary shares of 10p each ("the Armstrong ordinary shares") in Armstrong Equipment PLC ("Armstrong").







*When a revolution comes, who's going to protect your overseas investments?*

An investment climate, as the term suggests, is rather like the weather - changeable, unpredictable and far beyond our control.

And although most political storms don't lead to revolution, the effects on your business can be no less catastrophic.

Don't panic.

ECGD has the necessary experience and understanding of volatile markets. We can tailor a policy to your exact requirements and protect you from war, expropriation and restriction on remittances.

We'll even go so far as to write a 15 year policy, the terms of which we cannot change once it has been issued.

So if you'd like to know more about how we can help you develop your export business, please call us on 01-382 7749.

Don't wait to hear the rattle and roar of approaching tanks - take cover now.

**ECGD**

COMMODITIES AND AGRICULTURE

Copper prices up sharply as recession fears ease

By Kenneth Gooding, Mining Correspondent

COPPER PRICES rose sharply on the London Metal Exchange yesterday. Traders said there was some nervousness about the possible repercussions of the national miners' strike in Peru...

LME Warehouse Stocks table with columns for Commodity, Close, Previous, High/Low

week, the LME's "flagship" Grade A copper contract advanced by a further £67.50 a tonne to £1,726.50 for metal for immediate delivery.

In contrast, the price of tin went into "free fall," according to some traders. It fell to the lowest level since trading started again on the LME at the beginning of June.

However, given the low stocks, the moderate improvements in consumption and the amount of production capacity still closed down, Mr Worthington expected fourth-quarter tin prices to test the three-year peak of \$1,000 a tonne reached for spot metal on the free market last April.

Canberra angry over Saudi rejection of sheep exports

By Chris Sherwell in Sydney

SAUDI ARABIA'S third rejection in two weeks of a live sheep cargo from Australia has prompted anger and concern in Canberra...

Half of the 34,000 sheep have now been discharged in the United Arab Emirates with a clean bill of health, while the other half are expected to be earlier in Qatar.

The situation has forced the Australian government to seek a federal aid to combat the scourge. Mr Robinson said the \$75,000 allotted by the state to span two years will be spent well before the end of this year.

Menem cuts export duties for farmers

By Gary Mead in Buenos Aires

PRESIDENT Carlos Menem has announced that Argentine farmers are to enjoy lowered export duties, down from 30 per cent and above to between 15 and 20 per cent.

Export duties are to be cut to 18 per cent for maize, sunflowers, peanuts, beans and cotton; to 21 per cent for soya and soya derivatives...

Actual losses incurred by the farmers to date are hard to pinpoint, but would have been a lot worse without spraying, Mr Robinson said.

Pesky insects eat into US crop yields

By Chris Scanlan in Washington

LIKE BUZZSAWS through lumber, swarms of grasshopper are leaving the crops of these mid-western states in dust.

Accordingly, Western Minnesota and the Eastern Dakotas will not reap a prolific harvest as these "pesky" insects bite into yields already reduced by last year's drought.

In the past month, Kenyon Gold Fields Consolidated of Australia, the world's biggest mineral sands producer, said it would go ahead with its so-called Eneabba West project early in 1991 at a cost of A\$115m.

Building a future on mineral sand

Kenneth Gooding reports on efforts by the industry to meet demand

A FLURRY of announcements about new mineral sands ventures has not only focused attention on these materials - the major ones being rutile, ilmenite and zircon - but also has inevitably raised questions about the possibility of a future glut.

Price trends table showing Australian Dollars per tonne for Rutile, Zircon, and Ilmenite from 1985 to 1990.

Kenmare Resources of the Irish Republic announced that independent consultants had reported that its joint-venture mineral sands project in Mozambique contained proven ore reserves worth about \$287m at current prices.

Between Minproc and Kerr-McGee at Cooljarloo in Western Australia scheduled to begin in 1992, while CRA's WIM 150 deposit is due to stream in 1988, present plans for WIM 150 to produce 100,000 tonnes a year of rutile and more than 250,000 tonnes of ilmenite...

Prices is used in the bricks for steel furnaces and in extrusion dies. Monazite is also contained in very small quantities in mineral sands. It is the richest source of rare earth elements which are used in magnets, electronics and high technology ceramics.

prices surged to record levels and, although the rate of advance is expected to slow from 1989 onwards, prices are not likely to peak until at least 1991.

So what is all this activity about?

Ultimate control of the world mineral sands industry is in the hands of a relatively few companies, primarily large diversified mining houses including the RTZ Corporation.

Production of all mineral sands has been running hard to keep up with demand in recent years. For example, according to the Mining Journal's annual review, worldwide production of zircon sand last year is estimated to have been about 860,000 tonnes, up 9 per cent from 1987.

Ms Archer believes the anticipated slowdown in world economic growth will have a delayed impact on mineral sand markets. "Consumers are operating at capacity in a market where there is a significant supply deficit. Grades of some major existing deposits are falling and there is little prospect of any major new supplies of titanium minerals and zircon coming on until at least 1990-91.

Bush agrees \$897m bad weather relief package

By Nancy Durne in Washington

PRESIDENT George Bush yesterday signed legislation providing \$897m in disaster relief for US farmers suffering their second year of bad weather.

The legislation, covering 32 crops, will provide up to \$100,000 to individual farmers who lose substantial amounts of their harvest to frost, drought and flooding.

Most of the payments will go to the Great Plains and Western Corn Belt where the after effects of last year's catastrophic drought still linger.

It will also help rice and cotton producers who were hurt by flooding and livestock producers affected by water and feed shortages.

WORLD COMMODITIES PRICES

LONDON MARKETS

Table of London market prices for various commodities including coffee, cocoa, and oil.

US MARKETS

Table of US market prices for metals, oil, and other commodities.

Chicago

Table of Chicago market prices for soybeans, corn, and other agricultural products.

New York

Table of New York market prices for gold, silver, and platinum.

Spot Markets

Table of spot market prices for various commodities.

Table of London metal exchange prices for various metals like aluminium, copper, and zinc.

Table of London bullion market prices for gold, silver, and platinum.

Table of London metal exchange traded options for various metals.

Table of London metal exchange prices for various metals.

Table of London metal exchange prices for various metals.

TEA There were 13,200 packages on offer including 2,000 ceylones, reports the Tea Brokers Association. There was good but more selective demand, especially liquoring... for a generally easier tendency, Ceylona best competition and prices declined by 5-10p...

Table of London metal exchange prices for various metals.

Table of London metal exchange prices for various metals.

Table of London metal exchange prices for various metals.

Table of London metal exchange prices for various metals.

LONDON STOCK EXCHANGE

Equity shakeout as retail sales fall

SOME OF last week's bounce was taken out of the London equity sector yesterday when confirmation of a heavy fall in domestic retail sales proved enough to trigger a significant downward correction across the board...

Reynolds at Prudential-Barclays commented that the market will now be very cautious of the announcement later this week of the latest domestic inflation and wage data. A correction in the market had been virtually shouted from the rooftops at the weekend...

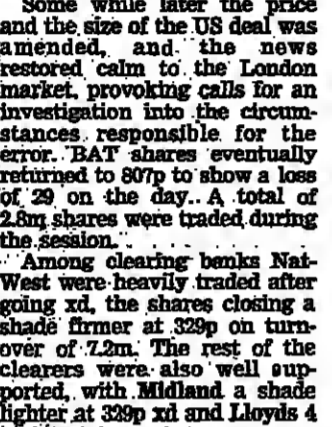
The day started badly, with the Stock Exchange's electronic trading system delayed for one hour by technical problems and a number of blue chip stocks quoted lower because of ex-dividend adjustments...

reducing the loss on the Footsie to 29 points until nerves tautened again ahead of Wall Street's opening. Tension was heightened when a trade in BAT Industries shares was apparently mis-reported in New York...

Hanson resist decline

Hanson was one of the few stocks to resist the market's sharp fall. Two factors helped the price higher than expected: third quarter profits, and the sale of newly acquired Consolidated Gold Fields...

FT-A All-Share Index



Equity Shares Traded



denes that KKR was buying

denes that KKR was buying, but the knowledge that it was there made BTR the best performer of the day among FTSE-100 stocks. The price touched a high of 468p before closing at 454p, a net rise of 11 on the day...

in Vietnam has been delayed

in Vietnam has been delayed until next year. One of the likely beneficiaries from a carve-up of those North Sea assets, British Gas, was the best performer among sector majors...

Brewer speculation

Scottish & Newcastle again outperformed as the market continued to speculate over what has happened over anything to the large stake held by Australian brewer Elders...

NEW HIGHS AND LOWS FOR 1989

Table listing new highs and lows for 1989 across various sectors including Chemicals, Electronics, and Metals.

APPOINTMENTS

Mr Barry Stewart and Mr Robin Young retire on the same date. Mr Tim Hall and Mr Michael Thomas will join the board of Martin Currie Investment Management...

Lucas senior posts

Lucas Aerospace. He succeeds Dr Alan Watkins who recently left Lucas to become managing director and chief executive of Hawker Siddeley...

FINANCIAL TIMES STOCK INDICES

Table showing various stock indices including Government Secs, Fixed Interest, Ordinary Share, Gold Mines, FT-SE 100 Share, and S.E. ACTIVITY.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for major stocks such as Anglo, BHP, British Petroleum, etc., with columns for volume, price, and change.

FT LAW REPORTS

Digest of cases reported in the Trinity Term

FROM JUNE 7 TO JUNE 23

Regina v Southwark Crown Court, ex parte Customs and Excise; Regina v Southwark Crown Court, ex parte A. (FT, June 7) The Customs and Excise sought to quash conditions imposed on an order for production of documents...

Lucas senior posts

Mr Peter B. Readings, chairman of the SENSPINERS GROUP companies, has retired and been appointed president of Sanyol International. He is succeeded by Mr Jack A. Stevens...

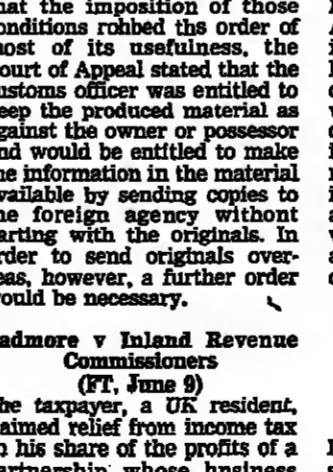


Mr Colin Watson has been appointed marketing director of AERSON INTERNATIONAL.



Mr Peter Gubb has been appointed managing director of HIGHGROSS.

Mr Jo Welman has been appointed managing director of Bee Brothers (Investment Management) and joined the board of REA BROTHERS. Mr Michael Keeler becomes a director of the investment management company...



Mr Ralph Stevens (above) has been appointed managing director of GREENHILL CHEMICAL PRODUCTS, part of Yale Catto Group.

From September 30 Mr David Skinner becomes executive chairman, and Mr Michael Kennedy and Mr Joe Scott Plummer are appointed joint managing directors of MARTIN CURRIE, Edinburgh.

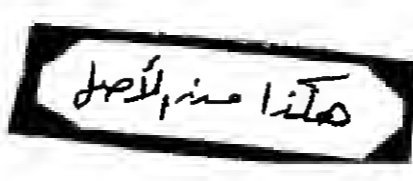
Aviva Golden

This digest of Trinity Term cases will continue tomorrow and on Friday.



FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cyteline. To obtain your free Unit Trust Code Booklet ring the FT Cyteline help desk on 01-925-2128



Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

Table listing various UK unit trusts such as 'The Yorkshire Unit Trust Ltd', 'The British Unit Trust Ltd', and 'The Scottish Unit Trust Ltd' with their respective prices and yields.

INSURANCES

Table listing insurance-related unit trusts and their details, including 'Alliance Life Assurance Co Ltd' and 'The Prudential Assurance Co Ltd'.

Continued on next page

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-825-2128

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for MANAGEMENT SERVICES, OFFSHORE AND OVERSEAS, LUXEMBOURG (SIB RECOGNISED), and GUERNSEY (SIB RECOGNISED).

Handwritten signature or note at the bottom center of the page.

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, Yield, and other financial metrics.

Table of London Share Service, including sections for British Funds, Loans, Foreign Bonds & Rails, Americans, and Money Market Trust Funds.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies with columns for Stock, Price, and other financial metrics.

CANADIANS

Table listing Canadian companies with columns for Stock, Price, and other financial metrics.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies with columns for Stock, Price, and other financial metrics.

Hire Purchase, Leasing, etc.

Table listing hire purchase, leasing, and other financial services with columns for Stock, Price, and other financial metrics.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS - Contd

Table listing building, timber, and road companies with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES - Contd

Table listing drapery and stores companies with columns for Stock, Price, and other financial metrics.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and other financial metrics.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES

Table listing drapery and stores companies with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES - Contd

Table listing drapery and stores companies with columns for Stock, Price, and other financial metrics.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and other financial metrics.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES

Table listing drapery and stores companies with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies with columns for Stock, Price, and other financial metrics.

ENGINEERING

Table listing engineering companies with columns for Stock, Price, and other financial metrics.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and other financial metrics.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES

Table listing drapery and stores companies with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Misc.) - Contd

Table listing industrial companies with columns for Stock, Price, and other financial metrics.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and other financial metrics.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES

Table listing drapery and stores companies with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Misc.) - Contd

Table listing industrial companies with columns for Stock, Price, and other financial metrics.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and other financial metrics.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES

Table listing drapery and stores companies with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies with columns for Stock, Price, and other financial metrics.

Handwritten signature or mark at the bottom center of the page.



LONDON SHARE SERVICE

Latest Share Prices are available on FT Cylifone. To obtain your free Share Code Booklet ring the FT Cylifone help desk on 01-925-2128

LEISURE

Table of share prices for Leisure companies including Leisure Group, Leisure Leisure, Leisure Leisure, etc.

PAPER, PRINTING, ADVERTISING - Contd

Table of share prices for Paper, Printing, Advertising companies including Newsprint, Printing, Advertising, etc.

TEXTILES - Contd

Table of share prices for Textiles companies including Textiles, Textiles, Textiles, etc.

TRUSTS, FINANCE, LAND - Contd

Table of share prices for Trusts, Finance, Land companies including Trusts, Finance, Land, etc.

OIL AND GAS - Contd

Table of share prices for Oil and Gas companies including Oil, Gas, Oil, etc.

MINES - Contd

Table of share prices for Mines companies including Mines, Mines, Mines, etc.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors, Aircraft Trades companies including Motors, Aircraft, Motors, etc.

PROPERTY

Table of share prices for Property companies including Property, Property, Property, etc.

TOBACCO

Table of share prices for Tobacco companies including Tobacco, Tobacco, Tobacco, etc.

TRANSPORT

Table of share prices for Transport companies including Transport, Transport, Transport, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land companies including Trusts, Finance, Land, etc.

OVERSEAS TRADERS

Table of share prices for Overseas Traders companies including Overseas, Overseas, Overseas, etc.

PLANTATIONS

Table of share prices for Plantations companies including Plantations, Plantations, Plantations, etc.

NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers, Publishers companies including Newspapers, Publishers, Newspapers, etc.

SHOES AND LEATHER

Table of share prices for Shoes and Leather companies including Shoes, Leather, Shoes, etc.

SOUTH AFRICANS

Table of share prices for South Africans companies including South Africans, South Africans, South Africans, etc.

OIL AND GAS

Table of share prices for Oil and Gas companies including Oil, Gas, Oil, etc.

DIAMOND AND PLATINUM

Table of share prices for Diamond and Platinum companies including Diamond, Platinum, Diamond, etc.

CENTRAL AFRICAN

Table of share prices for Central African companies including Central African, Central African, Central African, etc.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, Advertising companies including Paper, Printing, Advertising, etc.

TEXTILES

Table of share prices for Textiles companies including Textiles, Textiles, Textiles, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land companies including Trusts, Finance, Land, etc.

OIL AND GAS

Table of share prices for Oil and Gas companies including Oil, Gas, Oil, etc.

DIAMOND AND PLATINUM

Table of share prices for Diamond and Platinum companies including Diamond, Platinum, Diamond, etc.

REGIONAL & IRISH STOCKS

Table of share prices for Regional & Irish Stocks companies including Regional, Irish, Regional, etc.

This service is available to every company dealt in on the Stock Exchange through the FT Cylifone at a fee of £295 per annum for each security.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar mixed as pound falls

THE DOLLAR showed small mixed changes and the pound lost a little ground yesterday. Nervousness about intervention by central banks limited any attempt to push the dollar higher, and as far as yesterday's trading was concerned...

Reserve and European central banks on Friday. In terms of other major currencies the dollar fell to Y141.90 and to FF6.5475 from FF6.5000...

wholesale inflation will weaken the resolve of employers to withstand the pressure on wage demands. Figures on UK average earnings will be published on Thursday...

FINANCIAL FUTURES

Short sterling again higher

SHORT STERLING futures ended on a slightly firmer note in yesterday's Liffe market, underpinned by signs that UK economic growth is continuing to slow down...

US Treasury bond futures finished unchanged from opening levels but sharply down from the close on Friday. The softer tone from the end of last week reflected disappointment after higher than expected US retail sales in July...

most actively traded December contract slipped to 91.50 from 91.58 at the start and 91.52 on Friday. West German Government bonds opened lower in line with a softer tone in US bonds...

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Unit, Rate, % change, % change divergence, Overall trend. Rows include Belgium, France, Germany, Italy, etc.

LBFF LONG GILT FUTURES OPTIONS

Table with columns: Strike, Call, Put, Estimated volume. Rows include 150, 160, 170, 180, 190, 200.

LBFF TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Estimated volume. Rows include 90, 92, 94, 96, 98, 100, 102.

LBFF SHORT STERLING FUTURES OPTIONS

Table with columns: Strike, Call, Put, Estimated volume. Rows include 92.5, 93.5, 94.5, 95.5, 96.5.

S IN NEW YORK

Table with columns: Date, Label, Previous. Rows include 5-20, 5-30, 5-40, etc.

STERLING INDEX

Table with columns: Date, Index, Previous. Rows include 8.30, 9.00, 10.00, etc.

CURRENCY RATES

Table with columns: Country, Bank, Special, Forward, London 1 month. Rows include Australia, Canada, Hong Kong, etc.

CURRENCY MOVEMENTS

Table with columns: Date, Bank, Movement, % change. Rows include Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES

Table with columns: Country, Currency, Rate. Rows include Argentina, Brazil, Chile, etc.

MONEY MARKETS

UK rates lower

INTEREST RATES were a little lower in London yesterday as the market took comfort from a fall in July retail sales and a slightly stronger performance by the pound. While three-month interbank money was unchanged at 13.13%...

FT LONDON INTERBANK FIXING

Table with columns: Bid, Offer, Bid, Offer. Rows include 1 month, 3 months, 6 months, 12 months.

MONEY RATES

Table with columns: New York, Treasury Bills and Bonds, Lunchtime, Prime rate, etc.

LONDON MONEY RATES

Table with columns: Aug 14, Overnight, 7 days, One month, Three months, Six months, One year.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol, Last, Bid, Ask, etc. Rows include Gold C, Gold P, Gold S, etc.

BASE LENDING RATES

Table with columns: Bank, Rate. Rows include AIB Bank, AIB - Allied Arab, AIB - Arab, etc.

FINANCIAL TIMES CONFERENCES

EUROPE AND THE NORDIC COUNTRIES Stockholm 9 & 10 October, 1989

The Nordic countries are having to adjust to developments in a European Community that is changing much faster than might have been believed possible only a year or two ago.

At this important point for the Nordic countries the Financial Times has decided the time is ripe for a high level two day conference on EEC-Community relations.

WORLD MOBILE COMMUNICATIONS IN THE 90s London 11 & 12 October, 1989

The explosive growth of the mobile telecommunications industry demonstrates the importance for users of having access to reliable communications on the move.

RE-REGULATING EUROPE'S FINANCIAL SECTOR London 16 & 17 October, 1989

The Financial Times has in recent years arranged a series of successful conferences on financial regulation in co-operation with Deloitte Haskins & Sells.

All enquiries should be addressed to: Financial Times Conference Organisation 126 Jermyn Street, London SW1Y 4JL

JOTTER PAD

CROSSWORD

No. 7,012 Set by DOGBERRY. Crossword puzzle grid and clues.

Handwritten signature 'John, no it's' on a piece of paper.

WORLD STOCK MARKETS

Table of stock market data for various countries including Australia, France, Germany, Italy, Sweden, Netherlands, Switzerland, and New Zealand. Columns include country, date, and stock symbols with their respective prices and changes.

CANADA

Table of Canadian stock market data, including Toronto 3pm prices and a list of various Canadian stocks with their prices and changes.

INDICES

Table of financial indices including Dow Jones, Nikkei, and various regional indices, along with their values and percentage changes.

Table of stock market data for Japan, listing various Japanese companies and their stock prices.

Table of stock market data for the United Kingdom, listing various UK companies and their stock prices.

Table of Tokyo Most Active Stocks for Monday August 14, 1989, listing top-performing Japanese stocks.

Table of New York Active Stocks, listing active US stocks and their prices.

Table of Tokyo Most Active Stocks for Monday August 14, 1989, listing top-performing Japanese stocks.

Table of New York Active Stocks, listing active US stocks and their prices.

Advertisement for 'Travelling by air on business?' featuring Brussels Airlines and Lufthansa, with contact information for Frankfurt.

Large advertisement for 'Your FT hand delivered in Germany' promoting the Financial Times newspaper, including a '12 ISSUES FREE' offer and contact details for Karl Capp.

3pm prices August 14

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, organized into columns with headers like '12 Month High', 'Low', 'Open', 'Close', 'Change', and 'Volume'. Includes a small illustration of a figure in the bottom left corner.

Continued on Page 37

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for 12 Month High/Low, Dividend Yield, and Price/Share. Includes a section for 'Continued from previous page'.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for 12 Month High/Low, Dividend Yield, and Price/Share.

OVER-THE-COUNTER

Nasdaq national market, 3pm prices August 14

Table of Over-the-Counter prices listing various stocks with columns for 12 Month High/Low, Dividend Yield, and Price/Share.

Advertisement for 'Travelling by air on business?' featuring GENEVA with Air Canada, American Airlines, Crossair, British Airways, Finnair, Lufthansa, El Al, Swissair, TWA.

AMERICA

Dow makes small gain in subdued trading

Wall Street

AFTER last week's extreme volatility, the equity market yesterday traded in a narrow range throughout the morning session, writes Janet Bush in New York.

at mid-session, as were key indices on the American Fed Exchange and the Nasdaq over-the-counter market.

There is a lot to think about this week, including much fresh economic data. Tomorrow, there are expectations of rises in July housing starts and in industrial production.

man, the Administration's budget director, warned the Fed that its cautious approach to easing interest rates would be blamed if the economy were tipped into recession.

consumer non-cyclical, fared less well, falling 3% to \$60%.

EUROPE

Overseas retreat triggers cautious profit-taking

A SPATE of solid gains last week and nervousness over Wall Street's about turn on Friday induced a mood of caution in Europe yesterday, writes Our Markets Staff.

Table with 5 columns: Source, July '89, June '89, May '89, April '89, March '89. Rows include Belgium, France, Germany, Italy, Netherlands, Spain, Switzerland.

TURNOVER in Spain dropped by 40 per cent in July compared with June as the summer holidays and uncertainty over the

Jefferson Smurfit helps Ireland steal show

Table with 5 columns: Country, 1 Week, 4 Weeks, 1 Year, Start of 1989, % change in starting 1. Rows include Austria, Belgium, Denmark, Finland, France, West Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, UK, EUROPE, Australia, Hong Kong, Japan, Malaysia, New Zealand, Singapore, Canada, USA, Mexico, South Africa, WORLD INDEX.

By Alison Maitland

WHILE most eyes last week were fixed on whether the Dow Jones Industrial Average would make it to a new all-time high, some of the world's smaller markets were producing dramatic performances of their own.

weighting of nearly 17 per cent in the FT-Actuaries Irish index, which explains the effect on the broader market, now up by 3.8 per cent since the beginning of the year.

while concern about the impact of tax changes on corporate earnings next year has kept investors cautious.

ASIA PACIFIC

Nikkei falls amid small-lot dealing

Tokyo

A WEAKER yen and lower bond prices kept many investors away from the Tokyo market yesterday, and share prices closed down for the third session in a row in very thin trading, writes Yuriko Mita in Tokyo.

pick up in the obson season because of the thin volume, which makes it easier for small-scale buying to move the market. In spite of the last few years, the Nikkei average has risen at this time.

third most active, eased Y6 to Y87.

Harjin Holdings, was unchanged at A\$2.99.

SOUTH AFRICA

GENERALLY dull trading left prices in Johannesburg easier.

FT-ACTUARIES WORLD INDICES

Table with 10 columns: NATIONAL AND REGIONAL MARKETS, US Dollar Index, Day's Change %, Pound Sterling Index, Local Currency Index, Day's change % local currency, Gross Div. Yield, US Dollar Index, Pound Sterling Index, Local Currency Index, 1989 High, 1989 Low, Year ago (approx). Rows include Australia, Austria, Belgium, Canada, Denmark, Finland, France, West Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, USA, Europe, Nordic, Pacific Basin, Euro-Pacific, North America, Europe Ex. UK, Pacific Ex. Japan, World Ex. US, World Ex. UK, World Ex. So. Af., World Ex. Japan, The World Index.

Advertisement for ROSEHAUGH PLC and SHIMIZU CORPORATION. Includes text: 'This announcement appears as a matter of record only.', 'ROSEHAUGH PLC', 'SHIMIZU CORPORATION', 'ROSEHAUGH SC LIMITED', 'Shareholders introduced by The Dai-Ichi Kangyo Bank, Limited.', '£36,600,000', 'Medium Term Loan Facility for the development of an office building', 'CASLON 21-24 Chiswell Street London EC1', 'Jointly arranged and underwritten by The Dai-Ichi Kangyo Bank, Limited and Barclays Bank PLC', 'The Dai-Ichi Kangyo Bank, Limited and Barclays Bank PLC', 'The Dai-Ichi Kangyo Bank, Limited', 'The Mitsubishi Bank, Limited', 'The Taiyo Kobe Bank, Limited', 'Barclays Bank PLC', 'Bayerische Vereinsbank AG, London Branch', 'The Chuo Trust and Banking Company, Limited', 'Agent Barclays Bank PLC', 'DKB', 'July 1989', 'BARCLAYS MEMBER OF IBCO'.